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ELECTRICITY PRODUCTION TO INCREASE 35 PERCENT BY 1997

Santiago EL MERCURIO in Spanish 18 Jan 81 p C-5

[Text] Domestic production of electricity will begin to increase starting this year, and by 1997 will have achieved an increase of 35 percent in terms of present hydroelectric output.

This information has been published in the magazine REVERBERO, official organ of the National Association of Copper Supervisors and is based on a study carried out by engineer Luis Brand.

The increased production of electricity, the report points out, will begin in April 1981, with the entry on line of the Antuco power plant, whose first programmed unit will deliver 150,000 watts.

Next June, the report adds, a second electricity generator will begin to function, located in the Laja River valley, which will deliver 1,8 million kWh per year.

Colbun-Machicura

The report points out that the entry on line of the Colbun and Machicura power plants, planned for the beginning of 1985, will provide 24 percent of the electricity required by that date.

The study goes on to state, "The demand for electricity is growing at a cumulative rate of 7.6 percent per year, which means that in no more than 10 years demand will double."

The Colbun power plant will have a potential of 400 mw, while Machicura will have a potential of 90 mw, both generating about 3 million kWh per year.

The Pehuenche power plant, which will enter into service at the beginning of 1987, will provide about 400 mw, which implies the generation of 2.6 million kWh per year. This project is till in the stage of a feasibility study.

The Neltume power plant, which will enter into service in 1988, will deliver to the electricity grid between 400 and 450 mw, providing approximately 2.5 million kWh per year.

Furthermore, it is planned to bring into service other power plants such as Ralco with 1,000 mw of capacity generating 4.8 million kWh per year; Pangue with 500 mw of capacity generating 2.6 million kWh per year; Choshuenco with 130 mw of capacity generating 0.9 million kWh per year; and Petrohue, Canutillar, and Puelo, located east of Puerto Montt, which together will provide 1,600 mw of capacity and about 11 million kWh per year.

5170
CSO: 3010

EDITORIAL SUPPORTS PRIVATE SECTOR ROLE IN OIL INDUSTRY

Santiago EL MERCURIO in Spanish 24 Jan 81 p A-3

[Editorial: "Chilean Oil"]

[Text] The central characteristic of Chilean oil legislation has been the existence of a public enterprise (National Petroleum Enterprise—ENAP) which holds all rights of the state in the exploitation of hydrocarbons. This rigidity was legally maintained until 1975, when ENAP was authorized to enter into contracts for oil operations with private entities in very limited areas. The results of these explorations, which recently have been approaching completion, are still unknown.

Traditional restrictions and the not always real identification of national interests with those of a public enterprise with an interest in this sector have produced serious distortions. It is possible that the lack of competence with regard to the state monopoly and the restriction on private activity have derived from ignoring criteria of profitability and from insufficient development, when such exploitation became profitable.

In effect, during the period from 1960 to 1972 domestic production of oil was about 2 million cubic meters per year. This production began to decline until it amounted to less than half that figure in 1978. After a notable effort by ENAP, recently in 1980 production recovered until it reached levels slightly below the traditional ones. It is hoped that in the present year substantial increases will be achieved, permitting the extraction of 2.5 million cubic meters.

However the levels of production are not the only important aspect. The cost to the nation of production of oil by a single state enterprise is also important. Paradoxically it is difficult to obtain precise cost date concerning production by public enterprises, which belong to all Chileans.

However in the case of ENAP prior data is available which makes it possible to state that the present value of domestic oil production, in dollars per barrel, is more than $15 per barrel. However much one may deflate this figure in terms of 1970 money, it is almost impossible that it was less than the price of oil sold by the Arab countries, which at the time did not exceed $2 per barrel. It follows from this to ask whether it would not have been more beneficial to have developed in that period other, more economical energy options for the country.

The present situation is diametrically opposite. Beginning with the oil crisis in 1973 the increases in the price of crude oil have been considerable and the supply of oil has been complicated by international conflicts.

The new price levels and difficulties in supply have recently led Peru, Argentina and almost all countries not affiliated with OPEC to liberalize oil exploitation.

Our country has implemented a market price policy for oil, which has made it possible to reduce the increase in consumption from 7 percent annually down to 1 percent. Nevertheless, in the past 2 years it has been necessary to earmark an average of $850 million annually for the import of oil. This presumably will increase.

Hence, priority will also have to be given to facilitating domestic oil activity, stimulating competition in areas which have not yet been exploited. For that purpose it will be necessary to accelerate the entry into force of the legal provisions probided for in the new constitution. This permits operations contracts and concessions to private firms and to state enterprises, under obligations to be fixed by the national government, thus eliminating the linkage between the general interests of the state and those of a given state entity.

The public interest is not protected by exaggerated controls or by attitudes which impede or discourage private business activity, even when this concerns substances which deserve exceptional treatment, such as oil, coal, lithium and uranium. In these cases it is enough that the law authorize private entities to develop these areas, under terms which protect the national interest, such as the option for the state to have the first right of purchase or other conditions.

5170
CSO: 3010

POLEMICS OVER U.S. EMBARGO ON ENRICHED URANIUM

U.S. Embargo Decried

Mexico City EL SOL DE MEXICO in Spanish 28 Jan 81 pp 1-A, 10-A

[Article by Arturo de Aquino]

[Text] In order to force Mexico to sign a bilateral nuclear safeguard treaty, the United States has placed an embargo on a shipment of enriched uranium, destined for the research reactor of the Salazar Nuclear Center.

This shipment consists of 54 enriched fuel elements, to be used for research by Mexican scientists.

The purchase was made in January 1978, but the shipment is still being held in the United States under the pretext that the "export formalities" have not been completed. Nonetheless, said Antonio Ponce, secretary of industrial relations of the SUTIN [National Nuclear Industry Workers Union], what they want is to be given permission to come in and supervise the work that is done here in the nuclear field.

When interviewed by EL SOL DE MEXICO, he explained that the U.S. officials want Mexico to sign a nuclear safeguard agreement with them. The agreement would authorize the United States officials to enter Mexico to conduct "inspections" in order to keep the uranium from being used for purposes other than generating electricity.

Mexico has refused to sign this agreement because it has signed a safeguard agreement with the IAEA [International Atomic Energy Agency], but the United States refuses to recognize this.

The cost of the 54 fuel elements, which has already been paid, is 2.5 million pesos; these are elements enriched to 70 percent, and as the SUTIN representative explained, the United States is willing to send the shipment only if the agreement is signed or if the

percentage of uranium enrichment is reduced, at no additional cost to Mexico.

Antonio Ponce said that due to the lack of nuclear fuel, the "Triga-Mark III" reactor which is used for research at the Salazar Nuclear Center, and which cost over 100 million pesos, cannot be used with the flexibility needed for the research programs.

He pointed out that Mexico is now confronted with a serious challenge, as it has to develop its nuclear industry to meet its energy needs for future years.

Protests in Congress

Mexico City EL SOL DE MEXICO in Spanish 29 Jan 81 pp 1-A, 13-A

[Article by Jose Miranda]

[Text] The U.S. uranium embargo will be the subject of investigation by the Energy Commission of the Chamber of Deputies, the legislator Mauricio Valdes said yesterday, and he reported that the following reasons underlie this position:

To destimulate the use of nuclear energy; to apply pressure so that petroleum may be exchanged for nuclear technology; to apply pressure to keep hydrocarbons from being replaced by nuclear fuels too rapidly, thereby reducing the profits and power of the multinationals.

Interviewed on this topic, he said there is a need for international legislation on nuclear energy, and he suggested that the topic of the embargo be included on the agenda that Mexican and North American legislators will discuss during the next interparliamentary meeting.

Valdes felt that both the embargo and the bilateral nuclear safeguard agreement that the United States wants Mexico to sign so that "gringo" technicians can come to supervise the use made of uranium are part of the strategy of the more powerful countries to block the use of nuclear energy.

It may also be part of the pressures exerted by the multinational companies to get Mexico to sell its petroleum or trade it for nuclear technology and equipment, he pointed out.

Nuclear Energy Concerns Everyone

The legislator reported that the embargo had already been lifted for the members of the Energy Commission, and that the first part of the shipment was en route to Mexico without any obstacle.

He felt that energy issues should be regulated by all nations, not just by the United States, because the use of nuclear energy affects everyone, "because it entails a series of risks."

He said that nuclear energy does not require just bilateral accords, such as the one that the United States wants Mexico to sign, "but rather international norms, because there are still no legal guidelines or standards in this area."

Mr Valdes also said that the matter of nuclear energy should be considered in international forums so that all countries may reach an agreement, "because we lack legislation on energy in the world."

In his judgment, the uses of nuclear energy are advancing more rapidly than the legal and regulatory standards that are required.

He also explained that the extensive use of nuclear energy, such as what France is attempting, will cause that country to become less dependent on its imports of hydrocarbons.

"This is a challenge to the interests of the multinationals, which see that the replacement of hydrocarbons by nuclear energy will reduce their profits and their power."

He insisted that Mexico should not skimp on costs, no matter how high the costs may be, and it should acquire an appropriate nuclear technology as soon as possible, because sooner or later hydrocarbons will be used up, and then the purchase of such technology will cost even more, and the delays involved may impede the pace of development.

ININ: Renegotiation With Washington

Mexico City EL SOL DE MEXICO in Spanish 29 Jan 81 pp 1-A, 13-A

[Article by Jose Ramon Tinoco]

[Text] The ININ [National Nuclear Research Institute] told EL SOL DE MEXICO yesterday: "Negotiations are continuing with Washington" to secure the release of the embargoed uranium, but "given their complexity," Carlos Mendoza Fleury, the spokesman of the ININ, said he did not know the exact status of the situation.

Then URAMEX [Mexican Uranium], a state firm which handles the purchase and possibly sale of uranium and nuclear fuels, stated categorically that there is no embargo on enriched uranium, since all the enriched fuel which had been purchased for processing in the United States is already in Mexico.

Although Costa Alonso did not wish to make a statement--he said his schedule was too full--he did say that more details on the transaction will be made available tomorrow. The Secretariats of Foreign Relations and Patrimony and Industrial Development with some other agencies, have been taking part in these negotiations.

Mendoza Pleury, interviewed in his office, avoided commenting on the statements made by the SUTIN's secretary of industrial relations, Antonio Ponce, to the effect that the United States is maintaining its embargo on 54 fuel elements which have already been paid for, to be used in the operation of the Triga-Mark III reactor of the Salazar Nuclear Center, in order to put pressure on our country to get it to sign a bilateral nuclear safeguard treaty.

By signing this agreement, the United States, not recognizing the one already signed by Mexico with the IAEA, would be allowed to have its technicians enter Mexican nuclear facilities in order to "supervise" and ensure that the enriched uranium is actually used to generate electricity.

The ININ spokesman also said that Mexico will have to wait to see what policy the new resident, Ronald Reagan, will follow in this case, although he did not further elaborate.

URAMEX said that the United States has not embargoed Mexican uranium, because the uranium that was enriched there is already at the Laguna Verde nuclear plant in Veracruz, and has been there since May of last year.

Jorge Preisser, the URAMEX spokesman, after saying that the U.S. government never embargoed Mexican uranium, denied that there were any records of these alleged pressures, and he also said: "There has been no official communication from the United States about wanting to send technicians."

"The uranium processed by the United States," he added, "has been fully received at unit I and unit II of Laguna Verde." It amounts to 92 and 93 tons of uranium dioxide for each of them. So, legally and physically, there has been no embargo," said Preisser. Francisco Vizcaino Murray, the head of URAMEX, avoided speaking with this reporter.

"At no time was there any official statement from the Department of Energy or any other organization that the Mexican uranium might not be delivered," he stated.

7679
CSO: 3010

SUTIN ADVOCATES USING UNENRICHED URANIUM AT HOME

Mexico City EL DIA in Spanish 5 Feb 81 p 12

[Article by Juan Guzman]

[Text] Between now and the next 20 years Mexico will be unable to create its own technology for processing enriched uranium; for that reason, it would be better to build nuclear energy plants operating with natural uranium, Antonio Ponce, secretary of industrial relations of the SUTIN [National Nuclear Industry Workers Union], said yesterday.

He also revealed that Mexico now spends 2 billion pesos a year "Just to have its uranium enriched, since it sends the uranium in its natural state."

Nonetheless, he termed it "absurd" to say that we can establish a uranium enrichment plant, since we would have to invest 100 billion to build the plant, in addition to another 70 billion to establish electric power plants to provide electricity to operate the processing plant.

Furthermore, he added, the countries which now monopolize the profits from enriched uranium technology "will never agree to transfer their knowhow, because that would mean giving Mexico the capability of having its own atom bomb."

If these arguments are not enough, "we can also point out that while the United States holds the technology to enrich the ore, it can put pressure on our country; that is why we are insisting that, to avoid this situation, we have to build nuclear power plants that can operate with natural uranium," he pointed out.

Since "Mexico lacks the capability to create its own uranium enrichment technology, it is now dependent on two nations: Russia and the United States, and also on international corporations such as Eurodif of Sweden and England and Urocen of Germany and Holland," he concluded.

7679
CSO: 3010

LAGOVEN PRESIDENT DISCUSSES ORINOCO DEVELOPMENT PROJECT

Caracas EL DIARIO DE CARACAS in Spanish 22 Jan 81 p 10

[Text] Guillermo Rodriguez Eraso, president of LAGOVEN, a subsidiary of Venezuelan Petroleum, Inc. (PDVSA), has stated that the project known as Development of Southern Monagas and Anzoategui [DSMA) should eventually produce 170,000 barrels of heavy crude oil daily, which will mean the equivalent of 125,000 barrels of fuel.

In his presentation at the Ministry of Energy and Mines the LAGOVEN president pointed out that it is planned to bring production up to an average of 500,000 barrels daily by the year 2000.

Referring to the area in which LAGOVEN will operate, he said: "We hope to make Cerro Negro a model community in the exploitation of the Orinoco oil belt. We have taken all the objectives to be achieved in the development of the DSMA project very seriously, but we will place special emphasis on conservation of the environment. We have a campaign designed to convince those who will work there that it is a place given to us by God the Father and we must preserve it for the future.

"I want to make clear," Rodriguez Eraso stated, "that DSMA Project Management is solely the responsibility of LAGOVEN. But there are details in the area of exploitation, or rather, in coordinating the exploitation, which we have found it necessary to let out to contract, through bids, to various foreign companies in order to obtain their cooperation, since we still lack the experts needed for the type of petroleum found there.

"There is no Venezuelan company capable of handling that kind of supervision, but we have taken the steps necessary to insure that the foreign company that wins the bid will become associated with a Venezuelan company so that the technical expertise is left with us, and I hope we will be able to hire this Venezuelan company for other projects of similar magnitude in the future.

"We believe that we are broadening the process of nationalization through the DSMA. We want to leave the country not only the infrastructure but also personnel who are highly qualified to promote development on a permanent basis." Rodriguez Eraso reported that over 20 internationally known companies in the petroleum field had been invited to submit bids. However, most have been eliminated, and the bidding has now been narrowed down to the five companies considered best qualified to operate efficiently and adjust to the exploiting conditions in the belt.

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CSO: 3010

CALDERON BERTI ESTIMATES SIZE OF ORINOCO WORK FORCE

Caracas EL DIARIO DE CARACAS in Spanish 22 Jan 81 p 10

[Text] The first segment to be constructed by LAGOVEN, a subsidiary of Venezuelan Petroleum, Inc. (PDVSA), in the development of the Orinoco Petroleum Belt will provide jobs for 18,000 workers under applicable contractual provisions, Humberto Calderon Berti, minister of energy and mines, has informed labor union leaders of this country.

Present were Jose Vargas, president of the Confederation of Venezuelan Workers, who left before the presentation by the LAGOVEN president; Guillermo Rodriguez Eraso; Carlos Pinerua, president of FETRAPETROL [Federation of Petroleum Workers], who handed Calderon Berti a document expressing the concern of that organization over the exploitation of the belt; and Antonio Machado, president of the Federation of Hydrocarbon Workers.

Calderon Berti maintained that the project is of such size and complexity that it will be the focus of activities by other sectors of the national economy for many years to come.

"It constitutes," he said, "the first important exercise in planned integration by the petroleum industry in the economic and social transformation of the country."

This was the third presentation made by the minister in pursuing his policy of informing the country about the development of the belt. Calderon Berti announced that the intention is to provide training during the execution of the program not only to professional personnel but also to the workers themselves, who will, as a result, be capable of greater productivity in future projects within the same program or in others in which their services are used.

"To help us in this challenge the resources of industry and reputable institutions, such as INCE [National Institute of Cooperative Education] and INAPET [Petroleum and Petrochemical Training Institute] will be employed. In this aspect," he emphasized, "the coordinators of the project will have to direct their best efforts in order to provide the country with well-trained people."

The construction phase of the Orinoco Petroleum Belt plan calls for the employment of some 12,000 workers, as follows: 2,000 managerial, professional, and technical people; 1,500 part-time help; and 8,500 full-time workers.

In the construction phase contract labor from different areas will be used. A considerable number of these workers will work in Ciudad Guayana in modular and preassembly work. A peak of 10,000 workers is envisioned for plant construction in southern Monagas. In this stage there will be jobs for up to 18,000 workers, with increases of up to 2,000 part-time workers and 12,000 full-time workers.

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CHILE-CENTRAL AMERICA CHAMBER OF COMMERCE FORECAST

Santiago LA NACION in Spanish 6 Feb 81 p 16A

[Text] As soon as the situation in Central America has returned to normal, a Chamber of Commerce will be organized to join our country with the nations on that continent. This statement was made yesterday by Col Omar Antonio Zelaya Reyes, Honduran ambassador to Chile, who visited the president of the republic, Gen Augusto Pinochet, yesterday "to say goodbye, because I am returning to my country after completing my diplomatic duties." Zelaya talked with newsmen covering government events, who asked questions about his meeting with the chief of state.

Concerning bilateral relations between the two nations, the diplomat, who served 3 years in Chile, said: "They are excellent. I believe that my predecessors were also able to maintain this line. Our relations with Chile are magnificent, those of two brother nations."

Colonel Zelaya also condemned the Nicaraguan and Cuban intervention in internal problems of Central American nations, stating that "following the principle of non-interference in the internal affairs of other nations, any such intervention in another country is reproachable, since every nation, every government follows the principles of sovereignty and, I believe, has sufficient strength to resolve its internal problems."

When asked about fear in his country over political problems on the continent, the Honduran ambassador said that what happens in the region is always a matter of concern. "In one way or another, we are linked to those problems," he added, "but our government is fortunately following a political plan culminating with the election of the highest officials in August, meaning that the participation of civilian and military elements for the solution of our problems is already a basis enabling us to maintain a certain degree of security."

In addition, the diplomat said that the new administration in the United States is positive for his country because "we admire American democracy, their efforts to help us, and if we combine our efforts, we shall be able to take maximum advantage of this new period we are beginning with the North American Government.

Closer Economic Ties

The Honduran ambassador also said that despite the excellent relations existing between his country and ours, those relations would be enormously strengthened if commercial-type ties could be formed. This could come about through a Chamber of Commerce that would combine the efforts of Chilean and Central American nations. "Today there is no joint action," he added, "unfortunately because of the situation that exists in the area and the problems with which we are all acquainted. But as soon as the situation in Central America returns to normal, a Chilean-Central American Chamber of Commerce should be activated," Zelaya concluded.

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ISRAELI ROLE IN VENEZUELAN-COLOMBIAN ARMS RACE EXAMINED

Caracas BOHEMIA in Spanish 12-18 Jan 81 pp 28-31

[Excerpts] After the false and inadmissible alarm caused by the supposedly "warlike" conflict with Colombia, and by the stagnation or deferral of the border agreements, the arms dealers are beginning to reap advantage from the "conflict." BOHEMIA is publishing a detailed analysis of these maneuvers which are aimed at entangling Venezuela and Colombia in the arms race. Israel is tending to become the principal beneficiary.

The temperature is pleasant. It is 26 December 1980. Ben Gurion Airport, Tel Aviv, Israel. The vice minister of defense for the Zionist state, Mordecai Tzipori, is waiting impatiently. He rubs his hands together continuously. A special guest is coming. Suddenly a jet appears in the December sky in the land of Christians, Muslims and Jews, carrying a military man. The stairway is opened and a man exits. He is the Colombian defense minister. Not much earlier--actually, they almost trip over one another--a Venezuelan military delegation of a lesser rank had left the same airport, perhaps on the same plane that brought Camacho Leyva.

What special importance do these military men from two South 'merican countries have? We might not wonder at the arrival of two North Americans, or two Frenchmen or Englishmen, but a Venezuelan and a Colombian? What are they coming for? Does Israel need them? These could certainly be the questions that were going through the minds of those who witnessed the appearance of these two Latin Americans at Ben Gurion airport, where they were even received by Prime Minister Begin.

Camacho Leyva might be one of so many other defense ministers from any Third World country--one of those who must, willingly or not, join the arms race which benefits, finally and fatally, only the manufacturers and dealers, and not those who obtain the arms.

Israel: Bankrupt Economy

One of the countries producing most of the arms in the world is Israel. Specifically, it is the only underdeveloped country that produces arms for export, although Brazil and Argentina are trying to do the same thing. The economy of the Zionist state has been described by expert economists as "artificial." That is, its foundations are not within the disputed borders that define it.

"If the world Jewish population had not committed itself to creating the State of Israel, it would never have come into being; in any event, it would not have been able to survive." These words belong to Nahum Goldman, former president of the World Zionist Congress, and they were published in LE MONDE on 20 April 1971. This revelation is the best proof that Israel is encountering large stumbling blocks in its economy.

The French magazine PARIS MATCH said in its 10 May 1969 edition: "The numbers are astounding...Israel consumes four times more than it produces...or, it has an annual deficit of $500 million for 3 million inhabitants." Today Israel has a foreign debt of over $16 billion.

Israel: To Latin America

We have said that Latin America has become the prime target of Israel's arms industry. There is not one country on the continent--except the United States--that has not been visited by Tel Aviv's agents. Including our own. The person who said "had internal and external conflicts not existed in (or between) the countries, the world arms plants would have collapsed in 24 hours" was right. So simple. Or, to put it differently, inasmuch as the industries of death live on war, ruin could result from there not being any war, and since none of them wants to disappear--for economic reasons or for strategic military reasons--the best thing will be to manufacture, as well as to invent war. That is the terrifying and criminal logic of the arms dealers. It was apparent, for example, that there were powerful economic interests at work behind the Vietnam War. Aside from the political gain the United States tried to obtain from that war, without a doubt the North American economy, specifically that of the multinational companies, was significantly enhanced by the killings in Indochina.

President Carter's inter cional policy of not giving any more aid to the overthrow adventures of the right, and the rejection of the guidelines imposed by Kissinger, brought about the freezing of arms sales to Latin America. Israel undoubtedly took advantage of this, with the consent of President Carter himself, since he authorized the sale of arms patented in the United States and assembled in Israel. The Israel Kfir plane, for example, has made that concession to any other country in the world.

In another report we will give the details of Israel's dealings to place its arms in Latin America, as well as of the resurgence of the arms industry in the United States beginning in 1981.

Israel: Venezuela and Colombia in Its Sights

We have said that when there are no wars or conflicts, the arms industry takes care of creating them. For that purpose it makes use of all the tools within its grasp, including those unimaginable to the minds of the humble and naive inhabitants of the Third World who are the primary victims of the war advocates. We should not, therefore, be surprised by the appearance in some nations of impromptu "patriots" who foment and inflate internal or external conflicts. They may act in good faith, but is it possible that the arms dealers also have their hands in this?

Venezuela and Colombia have recently been discussing a territorial water problem. Many honest people, we would say the vast majority, expressed opinions about the

agreements that the respective governments were fostering. Some in favor, others against. But the notable difference among all of them was in the intention that truly motivated them (which many times remained hidden), on the one hand, and on the other, the interpretation that each one gave to the matter, and the emphasis placed on certain points. Thus, some--those in favor of the agreement--were saying that a peaceful arrangement was being worked out between two fraternal nations. The only thing remaining to be asked was, what kind of agreement? Others--those who opposed the treaty presented by the two governments--presented broader nuances. On one side were those who contented themselves with rejecting the signing of the mentioned agreements, but who upheld the idea that the solution must ultimately be peaceful. But a fair number went beyond the bounds of prudence and Latin American brotherhood--yes, brotherhood, because that was the maxim of Bolivarian liberation--and assumed the role of "heroic" war advocates, appealing to an ominous chauvinism verging on brazen racism.

In any event, here are the results. The agreements were not signed, fortunately for some and unfortunately for others. And the two countries will lamentably enter an arms race from which they will escape with difficulty. The only ones to gain: the manufacturers of wars and arms.

9730
CSO: 3010

PROBLEMS OF FORMING OPPOSITION FRONT VIEWED

Test: Ability to Unite

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 27 Jan 81 p 3

[Text] Brasilia -- Last week's meeting between Ulysses Guimaraes and Leonel Brizola and Tancredo Neves' statements may be leading the opposition forces once again toward the possibility of a broad agreement. It is not a matter of union, much less of a merger of the parties opposed to the government but simply an act of intelligence, as the president of the Popular Party (PP) said: Acting together and in terms of certain common objectives, the opposition parties are in a position to change the political and institutional face of the country; whereas, if they remain separated and confronting one another, they are in a position to permit the holders of power to remain where they are for a long time.

The first step in this one more attempt at common action may occur in March, when reportedly the following will meet: Ulysses Guimaraes, for the Brazilian Democratic Movement Party (PMDB), Tancredo Neves, for the PP, Leonel Brizola, for the Democratic Labor Party (PDT), Jacob Bittar for the Workers Party (PT), and even Ivete Vargas, for the Brazilian Labor Party (PTB), if she is so inclined. All party presidents would be empowered to initiate talks and to decide on common goals to be achieved although they would need to submit all phases of their initiatives to their respective permanent or provisional executive commissions and national directorates.

A sort of list, which cannot be described as a schedule or work agenda but a simple outline of agreement, began to circulate in Brasilia this weekend, obviously subject to all sorts of change- and studies. It includes seven main points:

1. The presidents of the opposition parties would meet on a date to be set at their convenience and they would decide to hold those meetings frequently;

2. They would try to form a sort of collegial, democratic front to duscuss and analyze a strategy capable of reconciling their objectives;

3. They would seek to establish the largest possible number of coalitions in the various states for the 1982 general elections; that is, where the PMDB would nominate a candidate for governor, it would not nominate a candidate for senator or vice governor; other parties would be sought for other offices and positions. And vice-versa. It is true that such coalitions would not be formed in all units of the federation, because of their peculiarities, but they would need to be sought and organized as much as possible.

4. The opposition parties would pledge not to accept any type of coalition with the government party, the Social Democratic Party, like the type they would try to form.

5. The leaders of the opposition parties in the Chamber and the Senate would form a sort of informal caucus to meet to examine each specific case being debated in the legislature. While retaining the independence of the blocs, they would seek to act jointly, not necessarily against all government proposals, but in terms of their interests.

6. They would act in that manner during the campaigns for the 1982 parliamentary elections, and if they should win a majority in the Chamber and/or the Senate, they would strive to maintain the democratic front in the future congress.

7. In the event that a majority were achieved, immediately after the announcement of the results, they would examine the possibility of the future congress reforming the present constitution, adapting it to the current situation, whether or not transformed into a National Constituent Assembly. The mandate of President Joao Figueiredo would be respected but it would immediately sponsor the reestablishment of direct elections for president of the republic in 1984.

Obstacles

There are a thousand obstacles in the way of implementing the democratic front, much more so for each of those seven objectives to be achieved; but what matters, for the time being, is to note the animus felt among the directorates and leadership of the opposition parties toward the agreement. At least, that is beginning to take shape, althought turnabouts may occur. Each party has its own problems, its own idiosyncracies and even its own ambitions, all operating against the alliance. It is worth examining each of them:

Because of its present representation, the PMDB believes itself to be owner of the lion's share, and if it insists on the position of presenting candidates for governor in all states, it will be dispelling at the outset any possibility of agreement with its smaller brothers. Even though he is prepared to meet with other party presidents, as he has already done with Brizola, Ulysses Guimaraes has not yet gotten over the feeling of frustration and revulsion that gripped him when, a little over a year ago, he witnessed the dispersal of sizable groups that formerly belonged to the defunct Brazilian Democratic Movement (MDB).

The principal figures in the PP reiterate that it is an opposition party, and it may be acting as such, but it was created to serve as an alternative to the government precisely in the event that the PDS should lose its absolute majority.

There are still groups in the party who are receptive to or desire an agreement with the Planalto Palace, just as there are not a few personalities who predict the inevitability of an accomodation.

The PDT regrets the isolated adventure into which it embarked, just as it regrets having fallen into the trap of General Golbery do Couto e Silva, who is even responsible for the party's acronym. Leonel Brizol wanted to form the PTB, which would have given him another force and other organizations but he ended up being "skewered" by palace maneuvers involving former Deputy Ivete Vargas, who filched the orthodox Labor Party label. For that reason, who will guarantee that the PTB will continue to be the branch-line of the government, designed to divide the opposition? As for the PT, it first needs to prove its actual existence but, they say that in order to do that, it is important for it to run in its own lane and even to discredit the other parties.

In short, and adding to that still nebulous atmosphere the interests of the thousand and one candidates from all parties in the 1982 elections, it may very well be that the imagined democratic front will be formed in a midsummer night's dream. But as Senator Tancredo Neves said, to not form something like that would be proof of a lack of intelligence and, more than that, the inability of the opposition forces to vie for power...

Unity Plan Set for March

Sao Paulo FOLHA DE SAO PAULO in Portuguese 25 Jan 81 p 5

[Article by Brasilia correspondent Marcondes Sampaio]

[Text] After the resumption of the legislative session, in March, the presidents of the opposition parties are going to meet in Brasilia to discuss a common program of action to last, at least, until the 1982 elections. That meeting has not yet been formally announced but all the conditions for its realization were established following the recent statements of the leaders of the three opposition parties: Ulysses Guimaraes, of the PMDB, Tancredo Neves, of the PP, and Leonel Brizola, of the PDT.

Trancredo was almost dramatic last Friday when he called for the need for an urgent agreement among the opposition forces, while Brizola and Ulysses--who until recently traded sarcastic remakrs--expressed satisfaction over the tone of the talk they had had the previous evening in Sao Paulo. In Europe, the president of the PT, Luis Inacio da Silva, "Lula," mentioned coalitions as a viable alternative. In that connection, one of the items would be solidarity with "Lula" in view of the legal action the government is taking against him on the basis of the National Security Law.

Despite the emphasis given to the subject in his statements the day before yesterday, the president of the PP, Tancredo Neves, avoided taking the initiative of proposing the meeting of opposition leaders. It was learned later that he prefers to make preliminary soundings and to assess reaction to the idea because he fears that if the meeting comes to naught--as happened last year--it could have irreparable consequences for the opposition.

On the other hand, the president of the PMDB believes that "nothing will prevent" the meeting in March, and the only reason it will not be held sooner is that the parties are still engaged in organizing it. In his view, that is even a good thing because the opposition leaders will arrive at Brasilia more in tune as a result of the preliminary contacts they will have held up till then.

Suggestions

In Tancredo's view, a disunited opposition would be "a demonstration of such great ineptitude that it would deserve to be punished "--that of not gaining state governorships in the 1982 election and" to be disgraced for the rest of its life."

Although he believes that that would be the "punishment," Tancredo observed, however, that the election for governor should not be looked upon as "an end in itself," and that there are other immediate points that call for the unity of the opposition, among which he cited:

Prerogatives of the legislature: "We must sponsor as soon as possible the reconsideration of the amendment rejected last year. The congress cannot remain in its situation of being a sub-branch of government, deprived of making its contribution to the process of democratization of the country. In that regard, it should be pointed out that a special occasion to demonstrate the determination of congress to regain its prerogatives is the selection of the new president of the Chamber. It is not only a matter of selecting a president but of chosing among members of the presiding panel named by the Planalto Palace and the names that are naturally emerging from within the Chamber itself."

Statute on foreigners: "It is necessary to divest the nation as soon as possible from that vexing legislation, which even violates Brazil's commitments as a signatory to the Universal Charter of Human Rights. As was feared, the application of that statute is being done in a drastic manner, as yet without due reaction."

Legal action against "Lula": It is not possible for the opposition not to express the strongest protest against this attack, not only against the political freedoms of a citizen, but what is basic in the labor union structure of the country. In the case of "Lula," the Brazilian opposition may even be surprised by a collective demonstration of trade unionists of various countries, which would be very unpleasant for us if we do not adopt a common position of solidarity with him."

Urban violence: "The opposition must reiterate the charge that violence is the produce of an unjust social order resulting from a system of savage capitalism established in the country in these recent years."

Wage policy: "Although the current policy is not yet the one demanded by the opposition, we must fight for maintenance of the half-yearly readjustment rule."

Coexistence

In addition to those items, Tancredo suggests that the opposition leaders agree to a sort of coexistence code that will put an end to the increasing retaliation between representatives of the parties. In his view, many times that retaliation stems from disputes for political space or even from personal vanities that end up hurting the opposition as a whole.

The president of the PP expressed particular concern over the situation in his state--Minas Gerais--where the accusations exchanged between PP and PMDB personalities have reached bruising proportions. Although the criticism of deputy leader Carlos Cota of some representatives of the PMDB aroused greater national reaction, Tancredo sought to show that Cota had only reacted to unjust accusations that Minas PMDB personnel have been making not only against him but against several other leading figures in the PP.

In fact, Tancredo does not say so, but what exists is the difficulty of reconciling the local situation with the statement that union at the national level is a position linked to the very survival of the opposition. Although at the national level there are causes and major issues capable of harmonizing the opposition forces, at the state or municipal level what prevails not infrequently is personal interests or the interests of groups striving to win the governorships.

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OPPOSITION CRITICIZES PROPOSED PACT WITH GOVERNMENT

Sao Paulo FOLHA DE SAO PAULO in Portuguese 21 Jan 81 p 4

[Text] The proposal for a pact between the opposition forces and the government, made by Deputy Carlos Cota (Popular Party (PP)--Minas Gerais (MG)) was much criticized yesterday by opposition politicians. The national president of the Brazilian Democratic Movement Party (PMDB), Deputy Ulysses Guimaraes, refused to comment on the proposal. He said in Sao Paulo that "nothing of the sort had been contemplated during the many party talks," adding: "The function of the opposition is to oversee the government. If Carlos Cota made that proposal, that is the right of the PP."

In Brasilia, one of the main points of criticism leveled against Cota was his reference to the so-called "ideological patrols," saying that "radicalism" jeopardizes agreements between the opposition and the government. "Though deplorable, it is very easy today to refer to the existence of 'ideological patrols' in the opposition. Those who are affected by that type of accusation should feel honored because, in addition to the pejorative meaning attributed to the term, it in fact reflects the type of action of those who are more in tune with the democratic conscience of the country," declared Deputy Flavio Chaves, deputy leader of the PMDB in the Chamber.

In his proposal, Cota also cited PMDB congressmen among those who reportedly were committed to the idea of a "pact." The national vice president of the PMDB, Alencar Furtado, did not believe in the participation of the deputies mentioned by Cota. "All are names absolutely above political suspicion and cannot be considered eleventh-hour shady dealers, denying a whole past of good opposition struggle," he declared.

In the opinion of Deputy Antonio Carlos de Oliveira (Workers Party (PT)--Mato Grosso do Sul) there is no possibility of his party participating in talks aimed at signing such a "pact." "In the opinion of the PT," he said, "it is more important for the people to know who is responsible for the foreign debt, inflation, the bad quality of education, the shortage of housing and unemployment, than to conclude a pact with those responsible for the system in their attempt to gain time."

The PT leader in the Chamber, Deputy Airton Soares, said in Sao Paulo that "the crisis is the product of the administrative incompetence of the various governments of the 1964 movement; therefore, if we have to discuss anything, let us discuss the question of power, so that the incompetents who are there will be replaced by other persons chosen by the people in free elections."

Praise

Meanwhile, former Deputy Ivete Vargas, national president of the Brazilian Labor Party (PTB), considered Carlos Cota's proposal "objective and pragmatic," saying that it can "overcome the surrealist atmosphere in which we are living." She explained: "Anyone who fights the government becomes a hero and those who did nothing to deserve criticism become the target of a witch-hunt." In Ivete's opinion, "the Brazil of today is going torough a sort of reverse McCarthyism. Since the big victim is the PTB, I hope that with the return of the political process to normalcy the absurd and unjust smearing of which we are victims will end."

Clarification

In Brasilia yesterday, Deputy Carlos Cota sought to clarify the meaning of his proposal. He denied the idea of a "pact" attributed to his proposal, saying that as yet there is not even a draft of a text but only "points" for a discussion that will be resumed in March when the congressional recess ends.

The story published Monday indicated that the rought draft of a document to be forwarded to the directorates of the opposition parties was being prepared. In addition to an analysis of the institutional picture, that draft reportedly included a "self-criticism of the behavior of the opposition forces and the suggestion of a pact with the government as the only solution for the national crisis."

According to Cota, "what really exists are points discussed at a meeting held in early December" among which are items pertaining to unemployment and the high turnover of manpower. The opposition would make proposals to the government about those items aimed at their solution. "The times can no longer suffer a type of hysterical opposition or ideological patroling," the deputy repeated yesterday. He said that President Figueiredo "is isolated" and for that reason "it is preferable that he be in a poisition to resist a possible retrogression and attempts to change the rules of the game."

PP Members

PP members dominate the list of opposition congressmen who attended the December meeting mentioned by Cola; in addition to him, there were: deputies Magalhaes Pinto, Sergio Ferrara, Jorge Ferraz, Jorge Vargas, Leopoldo Bessone and Luis Leal, all from Minas. From the PMDB, he mentioned only Itamar Franco and Pimenta da Veiga, also from Minas, saying that he did not remember whether or not the PMDB deputy leader Marcondes Gadelha had participated in the talk.

In the opinion of Deputy Jorge Vargas, the presentation of concrete proposals to the government would be "an attitude of independence and courage since they would constitute a way of demanding fulfillment of the political opening plan by a government that governs with its back turned to the nation."

Jorge Vargas, however, reacts to the description of the idea as an "agreement" or "pact," declaring that if the PP should adopt that attitude, he would leave the party. Like Cota, he also criticized the "ideological patrols," declaring that sometimes they act in a "dishonorable and shameless" manner.

Sarnei Believes in Agreement

Commenting on the proposal of Deputy Carlos Cota (PP-MG) for a pact by the opposition forces with the government, the national president of the Social Democratic Party (PDS), Senator Jose Sarnei said in Brasilia yesterday that he believed that "a transition agreement on political bases" was more feasible. Sarnei said he had already proposed that type of agreement. "Now that the parties are organized, there is nothing to prevent the opening of lines of political negotiations in congress," he added.

In Sarnei's opinion, the parties have machinery capable of deciding on proposals for agreements, either through their executive committees, directorates or conventions, or in congress, "according to the nature of the matters in question."

Although he considers a "transition agreement" to be feasible, Sarnei points out that "the PDS is in the midst of a phase of discussion at the internal level to determine what are the principal aspiration of its members. After that, I do not see why we should not try the agreement. But an agreement at the party level is one thing and at the government level, another. It will be the government itself that will make the latter."

Marchezan

In the opinion of Deputy Nelson Marchezan, government leader in the Chamber, Carlos Cota's proposal "may be a variant of President Figueiredo's outstretched hand." In his opinion, "in order to make any pact, it is necessary to dialog. The roads are open and I see great sincerity and patriotism in Deputy Carlos Cota's proposal."

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UNE THREATENS APRIL STRIKE IF DEMANDS ARE NOT MET

Sao Paulo FOLHA DE SAO PAULO in Portuguese 21 Jan 81 p 21

[Text] After 4 days of meetings in Sao Paulo, the directorate of the National Students Union (UNE) prepared a working plan for 1981 which will be submitted to the National Council of General Organizations (CONEG), that will meet in Curitiba this coming 12 to 15 February.

The UNE directorate discussed the campaigns the organization will carry out this year based on points approved by the 32d UNE Congress held in Piracicaba last October.

General Strike

The first action decided upon by the UNE directorate will be the sending of a delegation of various student organizations to Brasilia on 16 March to try to present a document containing the principal demands of the students to Education Minister Rubem Ludwig. The UNE set 1 April as the deadline for the reply.

"If our demands are not heeded, the students throughout the country will go on strike on 2 April," said Aldo Rebelo, president of the UNE.

The principal demands to be forwarded to the Ministry of Education and Culture are: the private school tuition increase not to exceed 39.4 percent in 1981; supplementation of appropriations for public schools; 12 percent of appropriations of the federal budget for education; end of the surcharges and illegal charges in paid schools; readjustment for education credit using the same readjustment index as that used for regional minimum wage readjustment, in addition to a write-off of student debts to the Ministry of Education and Culture and transformation of the education credit into scholarships; direct elections for administrative positions in the universities, especially for the position of rector; one-third student participation in the university collegial organs; subsidy for private nonprofit schools that prove their financial difficulties; and recognition of the UNE and all student organizations.

In the educational field, the UNE decided to conduct campaigns against retirement; of support for the demands of the professors and employees in the universities; for the opening of additional housing for needy students and guarantee of the existing ones; for restaurants subsidized by the government; and for the federalization of bankrupt schools.

Security Law

Among the general campaigns schedules by the UNE for this year are one supporting the convocation of a "free, democratic and sovereign" national constituent assembly; direct elections in 1982 with denunciation of the "election package;" and a campaign against the national security law.

"Our campaign against the national security law will begin on 16 February with a public rally in Curitiba where the students of Santa Catarina who were charged on the 17th under the security law will be tried," said Aldo Rebelo.

Also Rebelo also stress-d the movement for recognition of the UNE. According to him, there are four bills in the national congress that propose that recognition. "We are goint to mobilize," he said, "so that those bills may be unified and to pressure for the recognition of our organization."

The UNE directorate also decided that its secretariat of culture, despite the fact that it is not completely organized, will carry out an extensive program this year ranging from the organization of the First Meeting of Brazilian University Women (scheduled for the first half of the year) to a university humor exhibit, including national samples of drama, poetry and stories by university students. A national student press meeting is also envisaged, which will be organized jointly with the National Frederation of Professional Journalists.

There will also be a reorganization of the press secretariat (which is going to publish the UNE paper) and the secretariats of student aid and international relations.

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BRIEFS

OPPOSITION VICTORIES PREDICTED -- If the opposition has the sense to address the problems of the people, it will be able to take on the government in 17 states in the general elections schedules for next year, according to the calculations of former Deputy Doutel de Andrade, first vice president of the Democratic Labor Party (PDT). The PDT leader is conducting a survey of the situation in each state, taking into consideration the results of the last three elections, the increase of population and the growth of the number of young voters in order to prepare a projection for the 1982 elections. On the basis of the data he has already assembled, he predicted that the government will win in only five states: Bahia, Acre, Para, Espirito Santo and Sergipe. However, the PDT leader made his predictions conditional on the competence of the opposition in presenting the major national issues. According to his calculations, the government will lost the elections for state governments in: Rio Grande do Sul, Santa Catarina, Parana, Sao Paulo, Rio de Janeiro, Minas Gerais, Mato Grosso, Mato Grosso do Sul, Amazonas, Maranhao, Piaui, Ceara, Rio Grande do Norte, Pernambuco, Paraiba, Alagoas and Goias. [Text] [Rio de Janeiro JORNAL DO BRASIL in Portuguese 18 Jan 81 p 5] 8711

CSO: 3001

DISPLAY OF MILITARY HARDWARE SET FOR 12 MARCH

Santiago EL MERCURIO in Spanish 28 Jan 81 p A-16

[Text] A civilian-military parade in which over 20,000 people will participate and which will show the citizenry the modern equipment for land and air defense, will take place on 12 March on "Libertador Bernardo O'Higgins" Avenue. This presentation is to commemorate the beginning of the new constitutional period and to show the citizenry the acquisitions that have been made over the past few years and with which most of the public is not acquainted.

EL MERCURIO had an exclusive interview on the subject with Gen Julio Canessa Roberts, acting vice commander in chief and Army chief of staff; Gen Juan Pablo Gonzalez, acting commander in chief of the Air Force and commander of the Combat Group, and Gen Rodolfo Stange, director of logistics of the Carabineros.

Missles and Tanks

The parade will begin on the date indicated at 1500 hours on "Libertador Bernardo O'Higgins" Avenue at Plaza Baquedano and will run to Brasil Avenue in only one direction. For 3 or 4 hours, after honoring president of the Republic Gen Augusto Pinochet Uguarte and officials, the public will be able to observe for 3 to 4 hours the display of modern tanks, artillery units, anti-armor weapons, other wheeled and tracked equipment and, in general, units belonging to the Santiago Garrison headquarters and nearby units.

For its part the Air Force [FACH] will also give demonstrations with fly-overs by formations of T-37, Hawker Hunter and Mirage fighter planes. With regard to ground crews, the FACH will show antiaircraft artillery, cannons and the newest missiles.

Two Thousand Horsemen

During the EL MERCURIO interview, which was held in the office of Gen Julio Canessa, the program planned for next 12 March was discussed. All the civilian organizations in the capital have promised to participate. They will march behind the delegation from the National Defense schools and will be represented by men, women, young people and minor students.

The Army chief of staff explained that two squadrons of motorcyclists, with about 150 500-cc to 600-cc motorcycles will be making their first appearance at this time. This group consists of reservists, and their organization is about 2 years old. There will also be 2,000 horsemen on their steeds, among them the traditional members of the "Santiago Bueras" Symbolic Regiment.

General Canessa said "I would like to state that there will be some equipment in this parade which is not new and which is part of the armament of the [Santiago] Garrison and environs."

After explaining the parade route and program, he said that there will be an official reviewing stand at the Plaza de la Libertad facing the Berardo O'Higgins monument, which is in the Plaza de los Heroes, next to the Altar of the Fatherland on "Libertador Bernardo O'Higgins" Avenue.

The four National Defense officer training schools will pass before this reviewing stand in their corresponding order, going west on Alameda Street. A foot and a morotized echelon will follow these delegations. Gen Carlos Morales Retamal, Commander of the Santiago Garrison and chief of the state of emergency zone will be the parade marshal. That high-level officer will be accompanied by Gen Manuel Barros Recabarren, Director of Planning for the Army; and Gen Osvaldo Hernandez Pedreros, Commander of the Administrative Support Group of the Army.

Seated on the reviewing stand will be Gen Augusto Pinochet Ugarte, President of the Republic, his wife Lucia Hiriat de Pinochet, and the top government officials.

The parade will make only one pass and may be seen by all citizens.

It was reported that a committee headed by Gen Carlos Morales was organizing it. Committee members include representatives of the army, air force, navy and carabineros. The navy will be represented by its school, and has not yet said whether it will send its plane crew to the capital on that day.

Gen Rodolfo Stange of the Carabineros stated that the uniformed police will march "with their normal weapons and will not weaken police service, since only instructional personnel will take part."

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COMMUNIST MASTER PLAN SEEN IN CORVALAN'S CALL FOR VIOLENCE

Santiago EL MERCURIO in Spanish 20 Jan 81 p A-3

[Text] Communism has always tried to disguise its link with terrorism, and sometimes has even voted against it in the United Nations. But its statements condemning violence are one thing and the facts which contradict them are another. During the Popular Unity government in Chile, Corvalan expressed his disapproval of the actions of the Leftist Revolutionary Movement [MIR], but he did so in part because of the congenital hypocrisy of Marxist tactics, and because he wished to pretend moderation, which would catch the country unawares at the moment of the final attack.

Today it has been fully proven that all the out breaks of violence in Europe, such as bombings, political murders, kidnappings or bank robberies, follow communist plans carried out by guerrillas trained by the KGB in MOscow and Havana in special schools for these purposes.

Nevertheless there has not been a direct confession by any communist of note admitting and proclaiming the alliance. That has now been provided by the well-known Chilean communist leader, Luis Corvalan Lepe, who is living in Moscow and who had passed through Lima.

Corvalan does not hesitate ot say that "there is a place for all parties in overthrowing the Chilean military government", and that this solidarity does not follow an irrational line, but rather is calculated and premeditated. In addition, he adds that it is necessary to unite all those who are opposed to the government, for "there is no other way but confrontation on every score, using the most diverse forms of combat to overthrow it."

The leftist Lima newspaper EL DIARIO includes such statements, and it should be understood that when the interviewee speaks of using all forms of combat, he is including robberies of banks and commercial institutions--such as are already knwon in Chile--and is urging coordinated action by all "activists." As Head of Chilean communism and puppet of Moscow, where he lives and upon which he depends, it obviously must be assumed that he has the blessings and orders of his "superiors," and that they have given him the task of speeding up agitation in South America. The Caribbean task is the responsibility of Cuba, which has already communized Nicaragua and is now threatening other countries.

Communism feeds, encourages and finances terrorist action which serves it on all political fronts and underground as the vanguard to weaken and destroy anti-communist governments. Terrorism is not the spontaneous action of "idealistic" groups that want to change a society they brand "unjust and oppressive," but rather one of the many arms of communism, at the end of which is a hand that brandishes a machinegun, sets off explosives, robs, attacks and murders. The violence we are observing in the most varied and distant parts of Central America, and which is appearing in South America, is part of a great plan, thought out, perfected and underway to be imposed upon the world by any means, even the most reprehensible.

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NEW MINISTER TO RESTORE INVESTMENT IN MINING SECTOR

Santiago QUE PASA in Spanish 5-11 Feb 81 pp 19, 21

[Article by Marisol Vial Reyes: "Mining No Longer Attractive?"]

[Text] Investments in mining are semi-paralyzed despite the fact that it is the sector which in previous years brought in the most applications for the largest amounts. In addition, mining has reportedly become a sector hindering our economic growth, in the opinion of certain economists. Many projects were halted because of questions that have arisen about mining ownership. "The system of mining concessions contained in the constitution must be defined and outlined so as to provide investors with the broadest possible guarantees," state those affected.

Economic experts have told the government of the need to grant such guarantees and to put an end to the progovernment doctrine because otherwise, growth goals for the mining sector would not be met. These warnings were apparently not wrong. After the agricultural and forestry sectors, mining had the lowest growth in 1980 with only 3.9 percent, under circumstances that should traditionally make it one of the sectors contributing the most to the GNP.

Among the reasons explaining this decline, in addition to the sharp drop in the price of copper, is, in the opinion of many experts, the delay in the startup of major foreign investment projects in Chile.

Has there been a loss of interest in investing in the mining sector? Why in 1980 was not a single mining project approved which by itself would have represented over $1 billion? These are some of the questions that arise.

No Stagnation

What at first sight would seem to indicate a stagnation in foreign investment in mining is not that, in the opinion of the Foreign Investment Committee.

It is true that at the beginning of the economic opening, the largest projects, in terms of the amount of capital required, were directed toward the mining sector. Investments amounted to $3.742 million, with only 12 applications. A single project potentially signified $ 1.5 billion, as in the case of "Los Pelambres."

During that period, investment was aimed at the working, expansion or modernization of deposits already found. Today, applications are aimed at exploration and discovery of deposits.

For the Foreign Investment Committee, the lack of interest in investing in mining which some point out is contradicted by the large number of enterprises--24--participating in Chilean projects. Nearly half have signed investment contracts over the past 24 months, mainly aimed at exploring for minerals and not at concrete projects. According to the Committee, this is an advantage because it makes it possible to put together a survey of possibilities offered by the country, a survey that could later result in the finding of important deposits.

It emphasizes: "In 1980, eight applications from large international consortiums (CRA, Angloamerica, and so on) were authorized for the study, in the field of the availability of mining deposits that could be explored and later worked."

There are firms spending some $5 million a year on such research. This makes possible the presence of foreign capital in a developing country such as Chile and the implementation of new technologies, which in the long run will contribute to the growth of the economy.

The year 1980 coincided with circumstances in which there were no showcase projects, as a result of which only applications for exploration were submitted, Committee officials point out.

Low Growth of Mining?

Many attribute the low growth to the delays affecting investments projects. Out of the $3.5 billion approved, only a little over $400 million have materialized, 12 percent. However, those in the know state that this is in keeping with the very nature of mining projects. The Investment Code stipulates a period of 8 to 12 years for them to materialize.

"Projects develop slowly," agrees Jaime Undurraga, manager of external affairs of the Disputada de Las Condes Mining Company. "In order to carry out the major Los Bronces project, we had to complete various feasibility studies, boring programs (112,000 meters) and others. Not until the end of this year will the company be able to decide whether or not the large investment enabling us to produce 80,000 tons a day will be made." To date, the enterprise has invested over $300 million, part of the $1.2 billion authorized.

There are also other factors explaining this apparent slowness and decline in mining growth, according to executives in the sector: the drop in the price of copper, the increase in internal costs, the fixed dollar, the world recession, and other causes.

But apparently, not all the blame can be attributed to factors of lower profitability. One of our problems is bureaucracy and the mining sector does not escape it. A year ago, the Disputada de Las Condes Mining Company applied for the permits from

a series of government organizations to build the washing tank (100,000 cubic meters) that is part of the Los Bronces project. There has not yet been any reply. It is also having problems with the Ministry of Public Works in obtaining water rights. The Quebrada Blanca project, with capital from the United States and Canada, still has no legal partner in Chile. It has not been decided whether it will be ENAMI [National Mining Enterprise], CODELCO [Copper Corporation], or another. There are many other such failures to act in the sector, increasing the degree of uncertainty of investors.

However, the most controversial point is the system of mining concessions established by the constitution. "The law requires modifications because it is not clear. The rules of play must be defined."

Desertions

Some informed observers say that the mechanism of mining concessions was fundamental in the case of Noranda, the Canadian company that was going to explore the Andacollo deposit in partnership with the Chilean Government. "The Canadians saw that their rights were endangered, expecting the triumph of the 'state' sector in the constitutional definition of mining ownership."

Official sources say, on the other hand, that this deal was not completed for commercial and financial reasons. It was impossible to obtain credits from foreign credits on the anticipated conditions and in addition, both partners were asked to contribute more capital than they were willing to commit.

"The failure of talks between ENAMI and Noranda will not lessen the attraction of national resources to foreign investors," say Investment Committee members.

And yet, one should point out that this is not the only mining project which a foreign company is backing out of. The year 1980 was one of desertions. The German firm Metallgesellshaft refrained from an investment of $50 million in the Alsen zone to work lead and zinc. The Japanese firm Nippon Mining also withdrew after the completion of feasibility studies on the Cerro Colorado deposit, which cost over $2.5 million.

Confidence in Pinera

It is claimed that these episodes left a bad taste in the mouths of big international investors. Many financial powers, interested in investing in Chile, have begun to be afraid, especially about the ownership of land. "Is it true that the same legal provisions continue to govern that allowed Allende to seize mining property without compensation?" they ask.

The new minister of mining, Jose Pinera, will try to answer this and other questions.

The change in the mining sector will apparently be one of 180 degrees. According to Pinera, mining will be one of the driving forces of economic growth during this decade. Among the tasks outlined is that of regaining the confidence of national

and foreign investors. To do so will require new legal norms modifying and clarifying current mining legislation. "The great challenge is to create new sources of jobs, new wealth, and to do so, we must attract enormous quantities of investors."

Pinera also indicated that the country has many deposits and great resources yet to be explored, but more information has to be gathered and the management of government enterprises has to be improved.

The confidence which the mining companies have in the new minister is significant. As a high-ranking executive of an American firm said, "The mere presence of Jose Pinera in the sector makes us optimistic. He is a man who will carry out far-reaching reforms, the reforms this sector needs to recover its real dimensions."

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CSO: 3010

EDITORIAL SUPPORTS U.S. POLICY CHANGE ON CENTRAL AMERICA

Santiago EL MERCURIO in Spanish 6 Feb 81 p A3

[Editorial: "Diplomacy 'Without Common Sense'"]

[Text] The Reagan administration has removed the American ambassador to El Salvador, Robert E. White, for a "lack of common sense." This unusual decision is related to acts of interventionism in the internal affairs of the country where the ambassador had carried out his diplomatic duties and to the fact that White publicly disagreed with the new policy of the United States toward Latin America.

The government of Jimmy Carter promoted a concept of human rights on this continent that was a factor causing the deterioration of bilateral relations in different cases. Likewise, some of his ambassadors exceeded their duties, exerting pressure on certain governments to adopt political, economic and social reforms. Nicaragua and El Salvador are two clear cases of an unsuitable orientation in the sphere of contemporary diplomacy. The results have been instructive: The "changes" achieved are worse than the previous objectionable situation. Anastasio Somoza was replaced by a regime that is taking Nicaragua to Castro-type communism. While General Romero, already replaced by two government juntas, did face difficult problems, he was far from the national bloodletting that his successors could not prevent. The United States undoubtedly had substantive differences with the ousted leaders, but it has now seen that the solutions promoted turned out to be far too costly.

President Reagan's government proposes to institute changes in the policies, proceedings and human resources involved in its relations with Latin America. A group of qualified experts recently formulated a series of recommendations. One of them was to remove Ambassador White, along with two of his colleagues. The representative to the Salvadoran Government reacted bitterly to the suggestion. Various American newspapers carried his dissenting views, which worsened his already precarious situation. His removal is but a corollary to all that had happened.

Diplomats, especially if they are career men, are generally cautious about expressing their opinions publicly, even moreso if they are serving under a new government whose positions are different from those of the previous administration. It does not seem sensible to fight the latter in the midst of strident publicity, since this harms the general foreign policy of the government which the diplomat represents.

Diplomats have private channels for revealing their viewpoints to the State Department if they are given instructions with which they disagree. It does not in fact show "common sense" to challenge one's superiors, especially if there is public evidence of a different ideological orientation.

Adjustments in the State Department appear to be inevitable because the mistakes of the past 4 years require urgent rectifications, according to the new team in power.

It is now clear that the appointments of high-level officials to handle Latin American affairs fit into a coherent scheme. The undersecretary of state for inter-American affairs, the National Security Council member in charge of inter-American affairs, the ambassador to the OAS and the ambassador to the United Nations will inaugurate a "new deal" with the hemisphere. High officials recently appointed will necessarily have to adapt to that line.

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BRIEFS

HYDROELECTRIC PROJECT CONTRACTS TO EUROPEANS--Three consortiums of foreign enterprises, in partnership with Chilean firms, will be in charge of construction of the Colbun complex, according to a decision made by officials of National Electric Power, Inc. (ENDESA). They are: the CCI of France, in partnership with INGECIL of Chile, which will build the dams and powerplants; Huarte of Spain and INELA of Chile, which will undertake construction of the channel carrying water back to the river; and Siemans of Germany, together with Dragados of Spain and Sigdo Koppers of Chile, to be in charge of mechanical electrical equipment, turbines and generators, for the most part. In order to do their portion of the project, the consortiums will have to enter into negotiations with ENDESA in order to iron out certain aspects of the contracts. The Colbun-Machicura complex involves an investment on the order of $100 million and the construction of two gigantic dams and three hydroelectric plants that will use the waters of the Maule River. Startup of the Colbun and Machicura powerplants, which will generate 400 and 90 megawatts respectively, is planned for the beginning of 1985. It is estimated that they will be able to supply 24 percent of the power demanded by that time. The hydroelectric project will indirectly provide work for some 8,000 persons in addition to the 5,000 technicians and blue- and white-collar workers who will go to the area. The international bidding sponsored by ENDESA for the Colbun-Machicura project was answered by 25 consortiums from throughout the world, including the United States, Canada, Brazil, Spain, France, Germany, Sweden, Japan, Italy and other nations. Offers were presented in October of last year and all included total financing of the project. [Text] [Santiago EL MERCURIO in Spanish 6 Feb 81 p C1] 11,464

MIR MEMBER SIGHTED--The presence of psychiatrist Maria Eugenia Navarrete Coules, who occupies the second-highest women's post in the banned Movement of the Revolutionary Left (MIR), in a department situated in the vicinity of Americo Vespucio-Departmental has had members of special investigative squads mobilized since last weekend. This information was released by police sources yesterday, which added that "that sector has been used for some time by extremist groups for secret meetings or simply in order to hide and elude police action." The same sources emphasized that at the beginning of 1980, also in Departmental, extremist Hernan Aguilo was sighted, but despite the strict surveillance by security and police organizations, he managed to break out and "go underground." It is reported that Maria Mavarrete Coules is a young woman active in giving support to actions carried out by the illegal MIR. Her involvement has been established in the assassination of Col Roger Vergara Campos, head of the Ingelligence School, and in the holdup

of the Bank of Chile, Cerrillos Branch, in which over 3 million pesos were stolen. According to records in the hands of investigators, the extremist was a "model" university student who dropped out in 1974. Later investigations show that she worked regularly at the El Pinar Clinic as a psychiatrist, where police found her, but after the attack on the Elevap elevator industry, she went underground. Following several terrorist actions, Maria Navarrete is said to occupy a prominent place in the political structure of the MIR. Acting on instructions from the most highly sought extremist in the country, Dr Maria Isabel Ortega, she shot down Bruno Burdiles during an attack on a Banco Concepcion truck across from the Agas supermarket on Calle Isabel la Catolica and Manquehue. Despite the fact that the apprehension of Navarrete Coules would be a hard blow to extremists, police have concentrated their efforts on border areas since it is presumed that the terrorists will try to leave the country as a result of the sweep being conducted by joint forces of the police and the National Information Center (CNI). [Text] [Santiago LA NACION in Spanish 5 Feb 81 p 7A] 11,464

EXILES DENOUNCE ARREST -- Chilean exile sources in Caracas have denounced the arrest in Santiago of economics student Jose Cademartori, son of the former Chilean communist congressman of the same name. It was reported that the prisoner was later transferred to a northern Chilean city, but his exact whereabouts is unknown. Cademartori took part in a demonstration in support of allowing Chilean exiles to return to their country. [Text] [Caracas EL DIARIO DE CARACAS in Spanish 22 Jan 81 p 2] 8587

CSO: 3010

UNITY PARTY PRESIDENT TREJOS DISCUSSES POLITICAL ISSUES

San Jose LA NACION in Spanish 8 Feb 81 ENFOQUE Supplement pp 2C-3C

[Report on interview with Unity Party President Jose Joaquin Trejos Fernandez; date and place not given]

[Text] The question, in the middle of the conversation, was direct. The assistant editor, J.A. Sanchez Alonso, put it in these terms: "Jose Joaquin, do you think that, with such tremendous mistakes as those made by the present administration, if there were a parliamentary system this government would have received a vote of censure?"

"Yes. Yes, I think so."

Prof Jose Joaquin Trejos Fernandez, president of the Unity Party, the very one that brought the present government to power with a volume of 419,824 votes in comparison with 364,285 for his nearest rival, gave his response.

However, throughout the hour and a half interview, he explained that our country is not ready for the parliamentary regime system in which a vote of censure from the parliament ousts the government.

Prof Trejos also discussed topics including the possibilities on the national political scene following Mario Echandi's entry into the campaign, the coalition's internal problems, the party-government relations and the candidates' promises.

Prof Trejos also discussed in detail the most serious charges made against the president of the republic.

Principal

"Chronologically, the principal one is not having told the country the condition in which he received the government. I sent him several messages telling that it was essential, since he was president-elect, for the country to know the circumstances under which he would receive it entirely, because what was coming had been observed since 1977 and 1978.

"I compared the situation with that of a methodical person who receives a fixed income and more or less budgets what he is going to spend his income on: so much for amortizing and paying for his house, or paying rent, so much for food, clothing, recreation, the ca. and gasoline; and who all of a sudden wins the lottery and, instead of getting out of debt and seeing how he can save money that will help him in the future, starts undertaking enormous business dealings, as if that income were going to be permanent.

"We won a lottery with coffee at $300 and $300 per quintal but, instead of acting wisely with a view toward the future, because we knew that this would end, since it was a result of frost in Brazil and it would not last more than 2 or 3 years, a series of fantastic plans was made, which pleased the public; for example, the construction of an aluminum factory.

"No one proceeded to find out what that involved, how we were going to pay for it and where we were going to sell the aluminum. It turns out that the plan was made to import the aluminum, and only process it here, and that it would mean an investment of hundreds of millions of colones. For instance there were also other plans dissociated from the economic reality, which represented a debt that accelerated in an unbelievable manner.

"The government's deficit increased uncontrollably whereas, with the boom in the economy it should, on the contrary, have resolved that deficit."

The Worst

"Such conditions were the worst for receiving a government, and it had to be determined what revenue would be used to meet the obligations.

"It was already difficult to increase revenue, because taxes had been raised greatly by the two previous governments for projects which I shall not pass judgment on now, but which, in any event, received the people's approval, such as family allotments.

"All this, from the standpoint of the country, and the country viewed through the business firms that provide jobs, compounded by passing the state's social security share to the business firms, and additional charges, meant a reduction in working capital. At the same time, other taxes on consumers had risen as a result of the unfortunate system of allowing the government to establish taxes, a power which had been abolished during my presidency.

"So, on both the side of the business owner who exceeded the costs of his final product, and on the side of the consumer, the country's taxation capacity had become depleted.

"The new government had to explain all this to the public, and it did not do so; it claims, because there was no need to cause alarm and fear, which does not seem to me to be a reason for concealing the truth.

"The second fundamental censure on my part for the executive branch is that, without even warning the public of these circumstances, it pursued the same path, and did not even try to rectify the great expenditures of that government which had become gigantic and oppressive.

"And in this respect, I interpret as government the legislative, executive and judicial branches, and the decentralized entities, which are no longer so much so.

"Hence, none of this was corrected, and it continued irresponsible spending without changing defects in legislation which were making the state increasingly larger and, as a result, more oppressive with a growing bureaucracy, curtailing liberty."

Parliamentary System

At this point in the conversation, the president of the Unity Party arrived at the question about the censure vote that he had to answer affirmatively: a "yes" which he put in this context: "There has been a great deal of discussion about the advantages of a parliamentary system, because of the ease in changing a government when there is dissatisfaction; but our countries in all of America are not made for that. They have no experience, and we do not know what would happen.

"To a certain extent, the constant change in governments led to the Spanish Civil War, problems in France and, from what we have seen, in Italy, where a government can hardly last more than a few months. With the Latin spirit, we do not know where we would stop."

Prof Trejos Fernandez' criticism of the administration which the Unity Party put in power in 1978 led him to recollect the formation of this political bloc. "Personally, I have striven to create a single movement of all the forces which are not the National Liberation Party, not with anger against that party, which I respect and some of whose members I hold in very high regard. It has seemed to me necessary for the country to have two democratic parties which believe in liberty; two parties with different viewpoints but with democratic pluralism."

The Efforts and the Victory

"A first effort was made in 1971, giving rise to the Popular Union Party. Another effort was made for the 1974 elections, giving birth to what was called the Christian National Alliance, until success was attained in the 1978 elections. Other individuals handled that. I only intervened in a few isolated instances; but there was a hope that this movement would give rise to a permanently established party, with well-defined ideas, which would not be a mere anti-Liberation Party.

"The Social Christian ideas were adapted. They were ideas that I had been disseminating since the 1965-66 campaign and during the 4 years of my government; so we already had a clearcut notion of what needed to be done.

"After the elections, that desire to create a single movement, so as not to be combining the forces that are not in the Liberation Party every 4 years, brought about the signing of several agreements among the parties in the Unity coalition; and it was agreed to submit a bill to Congress calling for the definition of what is only mentioned in the electoral code about the merger of parties.

"In 1979, when they talked to me about the presidency of the Unity Party, I was told that this plan was about to be carried out by the plenary of the Legislative Assembly; but, unfortunately, there were always other things that were more urgent, such as loans or some other proposal, and the fact is that the bill never succeeded in materializing.

"Therefore, in the national political board of directors we have striven to have all the action of the Unity coalition take place as if only one party were involved. First the ideological charter, then the statutes, and the regulations for the

selection of the candidate: all this was done with the intention of trying to act as a single party. Furthermore, in the 1977 conventions, the national assemblies gave special powers to the presidents of the four groups to act in their name in all matters relating to the consolidation of Unity into a single movement."

Trejos Confirms

Prof Trejos Fernandez admitted: "Now we are facing political problems which crop up in all parties and all over the world. It is happening here in Costa Rica. When the selection of the candidate is not made in a small, closed circle, as was the custom for years, and as I was chosen in the first coalition that existed, many difficulties arise, even in the National Liberation Party, which is so disciplined.

"These are things that sometimes occur because of ideological issues or simply questions about the appointment of popular representatives.

"These problems may be surmounted or not, but they are a normal event in a party wherein the wishes and decisions of the various sectors are respected. That is why I think that, even though it may be a real disaster, especially when we are in a process of convention and so close to the culmination of that process that we are being confronted with the problems that have cropped up in the Unity Party, I consider them normal, whether they are surmounted or even if they are not. It seems to me that, if there is a desire to preserve unity, especially among the party's rank and file, and that desire is transferred to the leaders, it is possible to maintain it.

"Democracy must pay its price, which is sometimes very high, but never so much as the value represented by democracy itself. The famous statement that it is a very bad system of government, but that there is no other that is any better, has always been very fitting.

"Associated with this same idea, concerning the difficulties of democracy for the good, not to mention for the bad, is the emergence of parties and candidacies that sometimes reaches the point of deterioration; and we have been at the point of it here, not now, because this time it seems that there will be greater circumspection in the light of what happened in 1978, when they stopped counting the small parties.

"In this respect we have let the situation get slightly out of hand, because the requirements have been maintained for forming a party of national scope, established since 1944-48, with only 3,000 signatures, a respectable number when the registered voters totaled only about 150,000, but not now when they exceed a million.

"All this is meant to indicate that, as a result of pluralism in a democracy, there has now appeared a very respectable movement, which is headed by a former president of the republic, Mario Echandi, who has withdrawn, dissatisfied, from National Liberation, and subsequently, also from the Unity Party, owing to the government's problems; because, regardless of how much the party has wanted to be independent of those acts and to be free to criticize them, the fact is that people do not understand very well and, because it was the party which elected the president, they hold it responsible.

"The problem is a difficult one to solve, and not separating the government and the party has become rather politically immature; because in the United States, for example, there is a distinction.

"Furthermore, the dissatisfaction with the government is more evident among those of us who belong to a large, powerful, middle class; and not so much in the countryside, the rural areas and the outskirts of the capital itself, where it is less. It is a factor which exists for good and for bad, because there are people who are satisfied with the government's accomplishments despite the fact that, in order to achieve them we have been subjected to these deficits with which we are quite familiar and which have caused the country so much harm. Yet this has left one person or another satisfied."

Effect

Whether that dissatisfaction will have an effect on the results of the next election when the Unity Party again intends to run with a candidate for the presidency of the republic is, according to Prof Trejos, a fact that will depend greatly on the person run by the Unity Party and on the image created of it by the public, and that created of former President Echandi, who has been so much fought, respected and controversial.

As for the blow that Echandi's participation in the political arena has dealt to the idea of the existence of two great parties, Unity and Liberation, the president of the coalition admitted: "Yes, it has an effect, because it actually destroys that idea if Mario's party becomes a major party. I mention the feasibility of having two great parties and, later, all the small ones that are desired. Mario has not taken a stand as a non-Liberationist. He claims to be taking members from the Unity and Liberation Parties alike, and careful not to take more from Liberation; but it will not be until later, nearly at the end, that we shall find out whether it became one of the great parties and the idea of their being Liberation and Unity must be scrapped, or whether it became one of many, as Unification was in the last elections."

Will It Act the Same?

The suspicions and fears of an electorate which voted en masse for the Unity formula wherein some think that the team of ministers has also been a failure was a concern expressed to Prof Trejos. In the event that it gains the government again, will the Unity Party keep such teams again?

"Rather than being optimistic or not, in reality there should be a reproof of a certain amount of submission on the part of those exercising the main functions of the government, including the autonomous institutions. Not for them personally, because there are good people doing their job. What they have lacked is greater independence, making themselves heard, with their protest and dissatisfaction. I do not think that this will necessarily have to continue in the future, because a great deal depends on the outlook of the one holding the presidency of the republic; and I think that in this respect everything is due to the individual features of the president who has given that tone to the government, because others act using different methods.

"Figueres acted differently, and Oduber also, despite the fact that they belonged to the same party. And those differences would be even more evident in a government of Luis Alberto Monge."

Concern

Under the present circumstances in the nation, there is also concern about what should be done during the period remaining until this administration ends with a view toward solving part of the general critical situation. With respect to this concern, the president of the Unity Party stressed that the main task is to see to it that the state at least does not continue to grow.

"This seems to me to be an essential task: to halt state gigantism and not to continue spreading the idea among the people that every solution should depend on the state, or on something outside of the country, or on some divine entity, but rather on the individual himself."

As for the promises during the election campaign that has already begun, they should be fulfilled as offered.

"The Unity program that was publicized so much was an entire book which it was my responsibility to print, and which went into great detail, providing, on every side, the public's right to complain if promises were not kept. More general programs should be submitted, because, unfortunately, there is a lack of credibility in politicians."

At the end of the conversation, the interviewers were left with one concern: If the anti-Liberation forces that are now divided should unite again, would they win again in the elections?

"Yes, yes I think so. It seems to have been clearly demonstrated that the National Liberation Party, with all its advantages and disadvantages, is not a permanent majority party in the country."

Could that unity be created between Mario Echandi's movement and the Unity candidate, once he is elected?

"In politics, anything can happen."

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CSO: 3010

EASTERN ARMY TANK UNIT TRAINING REPORTED

Havana VERDE OLIVO in Spanish 4 Jan 81 pp 26-28

[Article by Miguel Febles H.]

[Text] The morning sun began to worm the faces of the combatants of this military unit of the Eastern Army who in small groups had sat down to talk about their tanks when throughout the motor pool came the order to make ready for the departure of the tank training course where a new armored vehicles driver training class was to begin.

A few minutes later a column of smoke spread out over the entire route they were to follow. The demolishing tracks accepted the challenge of the mud which covered the road and continued to beat their way along until they reached the line marked out for the start of their instruction.

On that occasion, the tank drivers ran through the exercise which consisted in driving over rough terrain on which the tank training course was laid out and which was built by the soldiers of this unit.

To make better use of the time available, the class leader warrant officer Orlando Nunez, described three different phases of study: first, as the principal point, there would be practical driving. The second two phases would consist of an in-depth study of the rules of driving and the mechanical aspects of the tank.

After explaining the class objectives and pointing out the principal obstacles and the correct method of negotiating them, the instructor called upon one of the more experienced drivers to demonstrate how the exercise should be carried out correctly, with strict adherence to the requirements of the said exercise.

The faces of the tank drivers reflected their desire to demonstrate their own knowledge and to receive the qualification rating for which they had been preparing for such a long time at this culminating point in their training: practical driving.

At the starting line, the order is given to begin the exercise. The instructor, with his small flags, indicates the route to follow. The nervous drivers psyche themselves up. Now, the first driver takes off, moving directly toward the mine field. The second driver starts to move... The tension increases.

The tanks climb up and down steep grades. In the distance, the first tank nears the antitank ditch, one of the most important obstacles to overcome. It is already moving into the ditch, with water completely covering its tracks. It gave the impression that its forward movement would be stopped right there. But no, the driver's good training and courage put an end to the pessimism of some. The tank went merrily on its way.

This same armored vehicle, with bold maneuvers, was able to pass through the obstacles and destruction area, which was filled with stakes, ditches, felled trees and concrete beams and return to the starting line at a good speed, having completed the prescribed exercise.

The forward hatch of the tank opened and a hefty young man appeared. Beaming, he turns to his superior and says: "Comrade instructor, tank driver Private Andres Semanat has completed the exercise; all obstacles were overcome; there were no mistakes; the tank is in good mechanical condition..."

This report came from a driver who had feared no obstacle and whose main objective was to complete his mission. Private Andres Semanat was selected as the outstanding driver in his company during the emulation review held recently. From his talk with us we get the impression that he is very knowledgable about driving techniques. He said: "Daily exercises, systematic study of driving rules and safety measures, with responsible care of the combat vehicle are the basis for the attaining of the desired results."

The class nears its end. The last tank to move through the course is now arriving at the starting line. Warrant officer Orlando Nunez gathers the combatants and explains to them the errors made during the practical driving exercise, their causes and the manner in which they can be overcome and names the outstanding participants in the exercise: Privates Andres Semanat and Graciliano Rodriguez.

Now, with the sun overhead, like a clock marking the end of the class hour, the tanks and combatants, united as one, return to their unit after having satisfactorily fulfilled the objectives set for them. This has been an unforgettable day for them.

8143
CSO: 3010

VILLA CLARA COMMEMORATES SEPMI ANNIVERSARY

Havana VERDE OLIVO in Spanish 11 Jan 81 p 54

[Article by Octavio Exposito]

[Text] AIN — The tribute paid by the Villa Clara Patriotic Military Education Society (SEPMI) to the Second Party Congress which ended recently consisted of completion of the right points related to the training and education of children and young people in the revolutionary traditions of the people.

As the top meeting of the party drew near, the basic pledge made to the event had already been made, with the completion of seven points and the presentation of a plan to be carried out, fulfill the remaining point in time and correctly.

With regard to the last point, which has to do with the 100 percent completion of the training plans of young specialists for the Revolutionary Armed Forces, [FAR], the planned enrollment, high retention rate and quality academic results had been attained.

One of the outstanding achievements was the desire to establish 13 rank-and-file SEPMI associations in work places and student centers, a figure which was raised to 39 in Villa Clara, as well as in sports clubs which reported 69 associations compared to the 32 that were proposed.

There was also an increase in the number of members, which includes over 8,000 young people grouped into 83 rank and file associations which were established during the first year of activity of the institution, which has been strengthened by four committees in Santa Clara, Remedios, Sagua la Grande and Placetas. Also, support committees were set up in Caibarien and Camajuani, an effort which is continuing in the remaining seven municipalities.

The following clubs are already in operation: 28 devoted to marksmanship, 20 to orienteering, 9 to model airplane building, 7 to water sports and 5 to radio sports, with over 2,200 young people participating in them.

The province won several awards and trophies in technical-military sports skills. These include participation in the National Water Obstacles Competition which was held on Caibarien beach, at which the Villa Clara SEPMI sweept all first places, becoming the absolute winner.

It also has two young people who have been selected to participate in the Radio Sports International Championship scheduled for February 1981 in the Soviet Union.

At the end of November 1980, a dozen boys and girls competed in the National Marksmanship Tournament which was held at installations in Holguin Province.

The athletes included students from the Maj Ernesto Guevara Vocational School, the Eduardo R. Chibas preuniversity school in Placetas, the Camilo Cienfuegos Military Vocational School for DAAFAR [Antiaircraft Defense and Revolutionary Air Force] specialties and the Architectural Projects Construction Enterprise No. 13.

Students from the following schools participated in other tournaments: the Manuel Ascuence Domenech Teachers School; the Health Polytechnical School of Sagua la Grande; the Carlos Coello Basic Secondary Rural School (ESBEC) of Remedios; Gen Lazaro Cardenas Industrial Polytechnical School; and Primero de Mayo Household Appliances Enterprise (EINPUD).

The SEPMI experienced an increase in its numbers of young students and workers from various provincial centres, to which is added a group of ANAP [National Association of Small Farmers] members belonging to the rank-and-file association established in the Romarico Cordero Agricultural-Livestock Production Cooperative.

The collective of that institution is working on organizing the Patriotic Military Camping which combines the tasks performed by the INDER [National Institute for Sports, Physical Education and Recreation] with those of the revolutionary education of our people.

The following activities are included in the camping sector: the assembly and disassembly of rifles; grenade launching; rifle and pistol firing; orienteering; assembly and disassembly of field houses; other exercises dealing with the protection and conservation of flora and fauna; and speleology.

Another important work front within the context of the institution is the training of juvenile specialists for the FAR as vehicle drivers, mechanics, automotive electricians, health workers, cooks, caterpillar tractor drivers and radiotelegraphists. Also as motorcyclists, heads of clothing warehouses, barbers and heavy equipment operators.

According to Lt Col Jose Matos Guerra, SEPMI president in Las Villas, even though the organization is young, the results of the work done by the rank-and-file organizations which are growing and becoming stronger are noticeable.

In 1981, new shipments of rifles for sports marksmanship, country houses, backpacks, raincoats, plastic boots, ammunition, and training grenades will be received. There is also the possibility that some resources will be made available for the development of go-carting.

During its first year of work, the SEPMI engaged in over 800 patriotic-military activities in Villa Clara with the participation of about 150,000 persons, who made field trips to the sites of our combat glories and visits to museums, memorials and monuments which commemorate a military event.

They also visited military units, engaged in technical-military sports and other activities which contribute to raising their skills for the defense of the fatherland and developing a sense of socialist patriotism and proletarian internationalism.

Matos Guerra said in conclusion that the success of SEPMI's work is attributable to the enthusiasm and interest of the members of the Rank-and-File Aid to the FAR Associations in which the tasks of patriotic-military education find their concrete expression.

8143
CSO: 3010

POLITICAL PARTIES SCORE ATTEMPTS AT EDUCATIONAL REFORM

PCD Analysis

Managua LA PRENSA in Spanish 16 Jan 81 p 7

[Text] The Democratic Conservative Party, in an official communique dated 14 January 1981, after analyzing the survey on national education ordered by the Sandinist National Liberation Front, makes a final statement to the effect that the objectives of said survey are identified with plans to establish a permanent totalitarian system of Marxist-Leninist bent alien to the nature of the Nicaraguan people and opposed to inescapable historical and geopolitical realities.

The communique states the following: the government persists in withdrawing from the program proclaimed in June 1979, from its fundamental statute, and from the international commitments with American governments which were expressed in the resolution on Nicaragua at the 17th Consultative Meeting of the OAS and which significantly was called to mind in a recent speech by the president of Costa Rica, Don Rodrigo Carazo Odio, before the same organization.

We once more alert the Sandinist government to the dangers to our revolution that are inherent in this defiance of the sentiments and traditions of the Nicaraguan people and to the democratic interests of the continent.

A Preliminary Real Survey

Referring to the survey, the document says in its first paragraph:

In the first place, one must question the right of an interim government to plan, on a long-term basis and on the bases of a specific political ideology, the future of Nicaraguan education.

According to the very title of the survey, it is a question of "defining the goals and objectives of Nicaraguan education."

But in reality the educational goals and objectives are defined by the nature of education.

The goals and objectives of a Christian education are completely different from the goals and objectives of an atheistic or Marxist one.

In order to plan in more clear and more specific terms, we must define the kind of man, society, state, and morality that we desire in Nicaragua.

We must state whether we want a Christian person and society, a Christian morality, justice, state, and policy, or whether we are going to introduce a materialistic society and an atheistic and Marxist state.

This means that first the definitions of the various political ideologies embodied in the democratic system must be expressed by the various political parties.

Thus, the people should be polled not only about education, but also about the economy, the state, the social organization, the rights and freedom of mankind. The purpose of polling the people is for the people to choose from among the various philosophical and political concepts, and consequently from among the various political parties, the one that will be consonant with their life and history.

From that it is clearly and fully inferred that the new political constitution that will be approved by the popularly elected Constituent Assembly should establish the philosophical and political principles of the new Nicaraguan society.

The Goals and Objectives of the Sandinist Revolution

Nevertheless the survey questionnaire now presented by the Ministry of Education attempts to give it an irrevocable and permanent character.

It does not even acknowledge the pluralist direction of the revolution. Instead, the introduction speaks of consolidating our Sandinist revolution, for which it is "essential to accommodate education to the goals and objectives of the society that we are building."

Therefore we have here an acknowledgment that goals and objectives already do exist and that a society is being built in accordance with those goals and objectives that are none other than those of the Sandinist Party.

Thus the only purpose of the survey, as its title says, is "to obtain criteria that will help to define the goals and objectives of Nicaraguan education."

These goals and objectives have already been defined by the Sandinist revolution, and in item 38, page 14, of the noted questionnaire, the following are frankly indicated:

38--Our revolutionary process has declared as essential principles: popular democracy, patriotism, and anti-imperialism.

Later on it asks the participants in the survey to explain what these principles mean. Thus the Sandinist organizations--CDS [Sandinist Defense Committee], ANDEN [National Association of Nicaraguan Educators], 19 July Youth, etc.--are already instructed in what they must answer. The other independent organizations must give a suitable answer. If not, they will not be given consideration and will be treated as counterrevolutionaries.

Therefore, in speaking of the Sandinist revolution, one must realize that what is meant are the plans and principles of the FSLN [Sandinist National Liberation Front], since it is also obvious that by the so-called principle of popular democracy is meant the dictatorship of a totalitarian party called the working class, even though its leaders and usufructuaries are a minority clan of bureaucrats and the party, itself, a privileged minority.

What Must Be Done

The document adds: The first people's survey that must be held as soon as possible is an electoral survey, in order to determine the type of state and of government desired by the Nicaraguans, if one wishes to truly consult with these same people regarding the educational goals and objectives that must be imparted during what the 1979 Governmental Plan calls "the Interim Period for National Reconstruction." The two questions would be as follows:

1 - What kind of education must be provided in Nicaragua, a Christian education or a Marxist education?

2 - Do you wish your daughter to receive religious instruction in public schools?

And these questions must be asked of each and every father of a family, because it is the inalienable right of each father of a family to decide the type of education that his children are to receive, and this is what is specifically established by the Universal Declaration of Human Rights, which by very decree commits the government of Nicaragua to the following:

Article 26: 3) Fathers of families will have the preeminent right to choose the type of education that is to be given to their children.

In the first place, we have already established--and it is our party's doctrine--the inalienable right of each father of a family to decide the kind of education that is to be accorded his children, and with respect to the questions that we have formulated, since the Nicaraguans as a whole are of the Christian religion and since this religion is a consubstantial element of our culture and of our nationality, the Democratic Conservative Party maintains that education in Nicaragua must be essentially Christian, and therefore rejects any education inspired by the principles of Marxist atheism.

Another paragraph of the document states the following: For the Democratic Conservative Party, the teaching of reading and writing and the education of the majority of our rural population are intimately tied in with an integral agrarian reform which, without resorting to state expropriation of land and to Marxist collectivizations that eradicate the right to property and kill all incentive for production, must begin by uniting our tremendously dispersed rural population in towns and villages, in order to be able to establish among these groups of people the indispensable elements of a civilized life: schools, parishes, hospitals, drinking water, technical and economic assistance, hygiene, culture, wholesome recreation, and social relationships.

What That Implies

This is the only way to extend to the entire population the opportunity to study, as question No 2 of the survey requests.

But, of course, this means having more teachers than soldiers, and therefore there can be no contemplation of the creation of an armed force of 50,000 or 60,000 men, which would involve an approximate annual expenditure of 3 billion cordobas.

Note: This represents a military expenditure of 1,500 cordobas annually for each Nicaraguan, while Japan spends only 930 cordobas per person per year, and it means investing those millions in the establishment of schools and in the training of teachers.

It means that the state must not expropriate thousands of blocks of lands and manage them by means of a costly bureaucracy, but that it must hand them over with titles of ownership to Nicaraguans without land, in order that the latter may cultivate them and effectively increase the production of the country.

It means that the growth of the urban population in Managua should not continue to be encouraged by investing millions and millions in new districts for people who do not have a productive job in the city, but that instead that marginal population should be transferred to new villages and towns and granted land of their own where they can engage in the agricultural work which they previously abandoned or lost, and which ended by increasing the problems and poverty of the capital.

PSC's Davila Expresses Views

Managua LA PRENSA in Spanish 16 Jan 81 p 7

[Interview with Jose Davila, Social Christian Party [PSC] leader, by Adriana Guillen; date and place not given]

[Text] Jose Davila, Social Christian Party leader, explains the view of his organization regarding the National Survey on Education.

Adriana Guillen was the interviewer.

Question: Will the Social Christian Party participate in the National Survey on Education?

Answer: We will not participate. When the Ministry of Education invited us, we decided to participate. But during the meeting that took place on 16 November 1980 with Vice Minister Miguel de Castilla y Urbina, we realized that the objectives pursued by the survey were not those that had been announced.

In the first place, that survey, both at the national and international level, is attempting to make it seem that the educational reform is the product of the concepts of the organizations and of the Nicaraguan people.

In the second place, the educational objectives will be defined by the FSLN, according to what the Ministry of Education, itself, states in one of the documents. Therefore, if the FSLN is to determine the reform, there is no reason to participate in said survey.

In the third place, there was no certainty that the expressed concerns of the participating organizations would be taken into account.

In the fourth place, in order to participate, we would have to submit the names of the leaders of our party, with their respective aims, and we did not know what later use would be made of that.

All of those factors led us to decide not to participate. But we have a clear idea of what an education should provide. It should be a liberator and humanizing education that would make it possible for mankind to free itself of subjection and domination--that is, an integral education that would promote critical and constructive awareness, not a compliant attitude that repeats mottoes, that accepts everything even though it knows it is not correct.

Question: Do you think that an education like the one you propose will be provided?

Answer: I do not think so. The Marxist-Leninist influence will be an obstacle to its attainment, because Marxism-Leninism views education as alienating and totalitarian.

Question: The Ministry of Education bases the National Survey on the Fundamental Statute of the Nicaraguan people; it proposes an educational reform. Do you believe that that means that the government cannot orient the educational reform to a specific ideology?

Answer: If one does not respect the nature and the values of the Nicaraguans, the reforms based on that survey will be an imposition. That reform will not make it possible to train young people in the manner desired by their parents and by the young people.

Question: The Ministry of Education, through its vice minister of planning, Miguel de Castillo y Urbina, said that the survey will be a Latin American model. How do you view it?

Answer: If they had said that our organizations were to have our own surveys and then be called to a public panel, to be broadcast by radio and television, it would have been possible that that would represent a survey. But, in the centralized manner in which it is being carried out, with control of data, organization, governmental orientation, content, and questions, it is not possible for it to truly turn out the way the people wish.

An educational reform is necessary. And what is contemplated in the Fundamental Statute is correct. But the way the reform is oriented is what the government should responsibly implement. Channels should be such that the change will not be based on a single ideology.

The PSC wants an educational reform because it is necessary. But, who is to achieve it, and how, is the problem. Mainly, there are groups that always say that they consult and that they speak in the name of the people, even though the people think the opposite.

An Appeal to Teachers

We should like to make an appeal to Nicaraguan teachers, to ask that they be consistent with the real sentiments and aspirations of those whom they are teaching, since the latter are the object and goal of the educational activity.

Teachers must also contradict the official line of the government when that line does not respond to what the people wish. The right to differ is perfectly legal.

Question: Do you think it is possible in the present circumstances, when the government practically monopolizes the magisterial positions, that teachers will express an opinion on the official line of the government?

Answer: This is difficult, but the government must open channels, so that teachers will not be afraid to express their personal ideas and will be able to carry out their profession.

With respect to the channels that the government must open, I should like to recall that when we attended the meeting of the Ministry of Education, Vice Minister Miguel de Castilla y Urbina called us "minigroups," in spite of the fact that in the official plan of the ministry, itself, they spoke of political parties.

That same incongruous language does not make it possible for us to know where we stand in the National Survey on Education.

8255
CSO: 3010

INRA VICE MINISTER ON ORGANIZATION OF AGRARIAN REFORM

Managua EL NUEVO DIARIO in Spanish 8 Feb 81 NUEVO AMANECER Cultural Supplement p 6

[Article by INRA Vice Minister Salvador Mayorga: "Sandinist Agrarian Reform"]

[Text] One of the first measures of the Government Junta following the revolutionary victory was precisely the establishment of the Nicaraguan Institute for Agrarian Reform [INRA], in accordance with Decree No 3, issued by the Government Junta about 23-24-25 July. It was created with the authority to place under its administration all the land that had been national land up until that time, consisting of about 4 million hectares of national land, primarily in the agricultural border zone. It was authorized to administer all the land confiscated as a result of Decree No 3, also recently issued by the Junta. In this way, INRA was created, concurrent with an apparatus inherited from the Somoza regime, namely, the Ministry of Agriculture. So that, at the outset, there existed the Ministry of Agriculture, which had traditionally been present under the Somoza dictatorship and, concurrently, the Nicaraguan Institute for Agrarian Reform. Similarly, INRA was not set up as a single apparatus, but rather was, to some extent, also associated with or related to the various sectors of agricultural-livestock production that were in existence, in accordance with the dynamics inherited from the Somoza regime and the new sectors that were being created within agricultural-livestock production.

Thus, at its beginnings, INRA was not established as a single apparatus, but really as a group of institutions associated on the level of their higher management, but institutions which to a great extent had their own dynamics and their own logic, performing a specific function. Among those apparatuses we might mention the following: the one known as INRA itself, the main function of which was to detect the properties which were subject to the application of Decree No 3, to put those properties under the administration of the revolutionary state, to reactivate them and, once they were reactivated, it was incumbent on INRA and its departmental delegations to lend them logic and to organize this scattered, dissimilar group of 2,000 production units from a productive standpoint. Thus, the main efforts of INRA during this first period were aimed at the organization of these 2,000 production units into what would later become about 60 people's agricultural-livestock enterprises.

Initially organized were those known as production complexes, combining within one complex a certain number of production units that were more or less close from a geographical standpoint, and subsequently, with the combination of several complexes, the enterprises were formed.

So that you may obtain an idea on the chart that I showed you previously of what was later set up as the cotton enterprise in the department of Leon, in the people-owned area, initially, complexes were formed. We might mention Complex No 1, comprised of this group of cotton production units in that region, No 2 consisting of this group, No 3 of this one, then Complex No 4 and Complex No 5. Later, these complexes were combined into an enterprise, and this enterprise was established as the economic management center for that entire productive activity. During recent months, there has been established for all the enterprises a uniform accounting administration system, which will make it possible to strive for development, efficiency and productivity within those enterprises. So, the fundamental activity of INRA since its establishment as of 31 December 1980 has been geared in that direction, a direction marked by logic, consistency and organization for the productive activity of those 2,000 production units which were confiscated.

This was a new institution created by the revolution, consisting of almost completely new personnel. It only absorbed a sizable portion of the personnel from the former Nicaraguan Agrarian Institute (IAN), yet we cannot say that it absorbed the latter as an institutional entity, but rather as an isolated individual one; inasmuch as the personnel from the Agrarian Institute who had direct political ties with the Somoza regime were expelled from the Institute, and later the rest of the personnel was reassigned to certain positions in INRA, but it was not absorbed as an institution, rather it was dispersed.

The other institution that we might cite, which existed within INRA, is the one known as PROCAMPO, which also had an individual logic, and original development and functions. PROCAMPO was set up essentially on the basis of the former INVIERNO, and thereafter major changes were made in its personnel. However, its structure was maintained basically, and its apparatus, including the area for the performance of its activity, was the first place in which PROCAMPO began operating, providing for itself and for the small producers.

Later, PROCAMPO became strengthened with the system of technological education centers that had been attached to the former Ministry of Agriculture. Those 35 centers for technological publicity, which I already mentioned earlier, were separated from the Ministry of Agriculture, because their main function was along the line of lending technical assistance to the producers. They were transferred to PROCAMPO, and in this way PROCAMPO was established, now as a national apparatus; and, in that regard, it became strengthened and ceased to engage in activities associated with what we might call credit. INVIERNO, as created by the dictatorship, was at the same time an apparatus which provided technical assistance; it was also a bank which had funds for loans. When PROCAMPO was set up as a national apparatus, the credit and financing activity was left exclusively in the hands of the National Development Bank, through its rural credit program, and PROCAMPO was engaged strictly in lending technical assistance and promoting the organization of the cooperatives. As a counterpart of PROCAMPO, there was the rural credit section, which was responsible for providing financing and controlling the recovery thereof. PROCAMPO continued to operate in that manner until 31 December 1980 (when the institutional restructuring took place within the Ministry). A third institution within INRA is the one known as AGRO-INRA, which also had its own origin, dynamics and function, and which to some extent was related to the more developed sectors of agricultural and livestock activity that existed under the Somoza regime. They were sectors in

which there existed, primarily, an industrial activity integrated with the agricultural activity, so to speak. In that more developed sector we find the sugar mills engaged in agricultural activity, sugar cane plantations and a processing industrial activity within the companies themselves: the tobacco, rice and coffee processors. And with the group confiscated from the Somoza regime, with these features, there was formed what was originally called AGRO-INRA, as a kind of corporation that is subjected to super-overseeing by this economic apparatus confiscated from the Somoza regime which contained its sugar mills, the tobacco, coffee and rice processors, and some other activities.

At the beginning, this group underwent certain changes. Other firms with similar features were incorporated which, through different mechanisms, also proceeded to join the people-owned area; such as the German Pomares Sugar Mill, formerly the Monte Rosa, and the Javier Guerra Sugar Mill, formerly the Amalia. These sugar mills were not confiscated but, we might say, one was intervened in by the bank, and the other was a donation. They eventually became integrated into the AGRO-INRA structures. Emerging from there were the dry processors, which started to be administered by the regions in which they were located. In this way, the AGRO-INRA structure was set up, and also continued until a few weeks ago.

Finally, within the institutional apparatus that existed in the final months of the revolution, after the revolutionary victory, was what was called the Ministry of Agricultural-Livestock Development. The predecessor of this Ministry of Agricultural-Livestock Development was the Ministry of Agriculture and Livestock. As I explained before, under the Somoza regime it operated concurrently with INRA and, after 1 January 1980, through a decree of the Government Junta, it became merged with INRA. That is to say, between 25 July 1979 and 31 December 1980, INRA and the Ministry of Agricultural-Livestock Development merged. As of 1 January 1980, INRA and the Ministry of Agricultural-Livestock Development became integrated under a single management, when Commander Wheelock occupied the head position in the Ministry of Agricultural-Livestock Development, at the same time maintaining the head position in INRA. Thus, all the apparatuses dealing with both agricultural and livestock development and agrarian reform were combined under a single management. However, at that time this integration was not yet a complete integration, inasmuch as our main concern during that entire first period was for the problems of agrarian reform, and the problems of rehabilitating the productive apparatus which had become part of the people-owned area. These research and regulation and control apparatuses that existed in the Ministry of Agricultural-Livestock Development continued last year, still remaining rather dissociated from the rest of the ministry; and they continued to operate with a certain amount of inherited dynamics until, with the latest restructuring, an effort began for real integration with the rest of the ministry's apparatuses in these sectors.

Hence, by the end of 1980 we can cite the existence of these four institutions that we have mentioned within the ministry: INRA itself, AGRO-INRA, PROCAMPO and what was known formerly as MIDA, which had all its apparatuses located on the northern highway, in the vicinity of the airport. We think that this institutional structure was in a way useful for performing the duties of the first period; that it was capable of reactivating the productive apparatus which had become part of the people-owned area to a considerable extent; and also, through PROCAMPO, that it was capable of giving a strong impetus to the cooperative movement, at least from

a quantitative standpoint. It experienced very great progress during the first 4 months of the revolution; however, once our Government Junta proposed not only the reactivation of the inherited productive apparatus but also the need to lay the foundations for an agricultural-livestock development in our country based upon new concepts of the productive structure and quality in our country, which nevertheless would eliminate the distortions, the tremendous distortions that had been inherited and were a result of the style of development promoted by the Somoza regime, then we made an effort to overcome this dissociation, and this situation with several institutions existing within the ministry. We then established a real single management apparatus capable of pooling all the efforts in a consistent strategy for agricultural-livestock development, and then it was decided to merge completely INRA and all its structures with MIDA, and set up the single ministry, to be known as the Ministry of Agricultural-Livestock Development and Agrarian Reform. So we eliminated the concept that there should be a separate Ministry of Agricultural-Livestock Development and an Institute of Agrarian Reform, and we worked on the establishment of a unified institutional apparatus that would contain the various functions within itself. We considered agrarian reform an essential element for the country's agricultural-livestock development, based upon new foundations, firm foundations; but on the foundation of an agrarian reform that is also in keeping with the individual features of our country in general, and with the individual features of each region in particular.

So, we proceeded to set up the ministry as a central agency with a number of managements and with different branches; and, as part of the process of restructuring the ministry, an enormous effort was made for decentralization. The country was divided into seven regions of agricultural-livestock development; and, in each region, a delegation from the ministry was established, a delegation that combines under its direction all the functions related to agricultural-livestock development and agrarian reform being carried out in that region. In other words, it combines under its direction both the attention given to the small and medium-sized producers and the supervision of the people-owned enterprises, as well as the relations with the large producers in the region. And it provides for all of the ministry's programs and activities in that region, coordinating all the decisions; however, there is a central apparatus in existence which devises policy. This is a concept of institutional organization that is also geared to the policies of the Government Junta and, to some extent, related to a tendency in the state apparatus which is the result of a decision by our Government Junta to decentralize the state apparatus, and to avoid exaggerated growth in the state apparatus on the central level. This is, to some extent, a distortion inherited from the previous model of development, which concentrated in the management apparatuses enormous amounts of services, also concentrating enormous amounts of the population in certain sections of the country, especially in the capital. These seven regions were divided as follows: region 1, consisting of the departments of Chinandega and Leon. As you can observe, the regions are ordinarily comprised of several departments which are similar in their productive structure and their structure. So, there is region 1, consisting of the departments of Chinandega and Leon; region No 2, the department of Managua; region 3, the departments of Masaya, Carazo and Rivas; region 4, consisting of the departments of Nueva Segovia, Madriz and Esteli; region 5, the departments of Jinotega and Matagalpa; region 6, comprised of Boaco and Chontales; and region 7, consisting of Zelaya and Rio San Juan. Region 6 includes the Nueva Guinea area, although it is located in the department of Zelaya, and it also includes the Zelaya area in the direction of El Rama; that is to say, from Santo Tomas to El Rama,

along the highway, which is an area in the vicinity of, or rather is geared to the Pacific from the standpoint of production and its communications. So, the central apparatus has eliminated this institutional dissociation by setting up a group of managerial s including, subordinate to the higher management of the ministry, two backup divisions, namely, a planning division that operates as a sectoral planning agency for the country's agricultural-livestock sector in close coordination with the Ministry of Planning. In other words, the Ministry of Planning is backed for purposes of planning in the agricultural-livestock sector by the ministry's division of planning, the administrative division which prepares and controls the budget. So there are, essentially, four managements: a production management which has a group of branch managements, a management for each one of the major branches of agricultural and livestock activity in the country, a cotton production management, a sugar cane production management, a staple grain production management, and so on. This production management associates all the productive activity in its branch, both that carried out in the people-owned area and that carried out by the large private producers, as well as that carried out by the small and medium-sized producers. It proposes the development policy in that branch and, once the development policy in that branch has been officially accepted, it supervises its implementation throughout the entire country, and in the various sectors of agricultural-livestock activity. Another management is the one dealing with all the problems of the medium and small-sized producers, which promotes the cooperative movement and renders technical assistance. This management retains the former name of PROCAMPO, but it is no longer an institution with a management in the central agency in Managua, with a direct line of authority over the entire country; but rather a management which devises the policy, and sees to it that this policy is implemented through each of the regions. In each region there is a PROCAMPO management that is subordinate, from an administrative standpoint, to the region's management, and is the one that implements the entire policy providing for the farmers and the small and medium-sized producers in that region, in accordance with the latter's individual features. And then there is the training management, which controls some specialized training schools that are primarily schools for training the work force. It has a school of mechanization; and there is a school under construction for training a work force specializing in livestock raising, including dairying, meat production and other branches of agricultural-livestock activity, that will serve as liaison with the national educational system, through the pertinent management in the Ministry of Education. And, finally, there is a service management, which devises the policy on mechanization and the policy on input for the country. We might say that, up until now, the activity involving imports of machinery and imports of input has been carried out without any regulation; for example, with regard to farm machinery, we have over 180 models of machinery in the country. This is a disruptive situation which has helped to make the maintenance of the machinery more difficult and costly. This management is working on a proposal for the selection of models, so that we may expend the essential efforts on importing and on providing for a manageable number of models which will afford us more rational organization in the activity for mechanizing our agriculture. The same thing holds true for input. Traditionally, we have imported a very large amount of input which has the same formulas under different trade names. This causes problems, means extra costs in foreign exchange for the country, worsens the problems of input supply and also entails an irrational situation. This management is also responsible for the supervision of certain service enterprises that are part of the people-owned area. There are several large service enterprises in existence, which consist fundamentally of three: an enterprise which renders mechanization service, known as AGROMEC.

This enterprise has about 500 tractors, and provides machinery service both to the enterprises in the people-owned area and to the small and medium-sized producers. There is another enterprise rendering input supply service to the enterprises in the people-owned area and to small producers, called PRO-AGRO; and still another which provides air fumigation service, and which has about 50 aircraft for fumigation. These enterprises are national, and the others that we mentioned previously are enterprises subordinate to the ministry's regional management, whereas the national ones are subordinate to the ministry's service management. They have a national structure, with branches all over the country, but these branches do no come under the regional management, but rather come under a central management on the national level. So while there is this central apparatus, with these managements, which are the ones that devise policy and control each one of their branches from a political standpoint, there is, from the methodological standpoint, attached to the ministry's central agency, the center for agrarian reform research and studies; and, under this central agency of the ministry, there is the network of regional managements in those seven regions, which are the ones that implement the policy devised by the central agency. We think that this restructuring of the ministry, rather than being just a restructuring, is aimed at continuing the process of organization that has been pursued up until now, yet giving it a more firm direction, and leading the institutional apparatus toward a structure that we might already consider relatively stable. We by no means think that this structure could not undergo changes in the future, as the country's productive apparatus itself is modified. However, we think that it represents major progress to have converted institutional apparatuses inherited from the Somoza regime, which were very scattered, very disconnected institutional apparatuses conceived to some extent for strengthening the model of development that the Somoza regime had promoted in the country, and that were based on the logic of that model of development; gradually making changes in that inherited institutional apparatus until it constituted a ministry with a central apparatus capable of promoting agricultural-livestock development in the country, and agrarian reform, with new concepts, and based on the model and strategy for development that the Sandinist popular revolution has been fostering. The fundamental essence of the latter is to improve the living conditions of the rural workers and to eliminate the enormous contradictions and distortions which were inherited, laying the foundations for a steady development in the country, with the awareness that the agricultural-livestock sector is, for reasons of production, the fundamental weight of the country's industry, an industry for the processing of the agricultural and livestock production. Also, the country's industry is to some extent concentrating its efforts on the production of input for agriculture, on the production, insofar as our potential allows, of farm tools, farm equipment and agricultural and livestock input, so that our country may produce the largest possible assets based on its agricultural-livestock production and, from this standpoint, lay the foundations for future development.

With this account, we hope that we have given you a summarized image of the initial model of development fostered by the Somoza regime, and the essence that the changes made by the Sandinist popular revolution have fostered: their logic, the logic of those changes; and, finally, the institutional apparatus inherited from the Somoza regime, and the changes that the revolution has made in this apparatus, that are in a way consistent with the new logic and the new model of development which the revolutionary process is seeking to foster in our country. We shall be at your disposal for any explanation that will address any of your concerns.

2909
CSO: 3010

MIDA OFFICIALS DESCRIBE PROGRESS OF AGRARIAN REFORM

Managua EL NUEVO DIARIO in Spanish 9 Feb 81 pp 4, 5, 9

[Text] We are offering herewith an explanation of the institutional development on the part of the systems for carrying out agrarian reform in Nicaragua, presented during the first training seminar for Nicaraguan diplomats, held from 11 to 17 January, in this capital.

Agrarian Reform (Ministry of Agricultural-Livestock Development [MIDA])

Comrade Orlando Nunez S.

Comrade Vice Minister of MIDA Salvador Mayorga:

Comrades:

We have prepared an explanation for you. First, Comrade Orlando Nunez will discuss the overall problem of agrarian reform in our country, starting with a brief account of the logic behind the agricultural-livestock development in our country under the Somoza dictatorship, the impact that the Sandinist popular revolution has had on the dynamics of development, the fundamental measures that our revolutionary government has adopted and the major problems involved in our agrarian reform process, as well as the main types of organization that have been promoted in the sector of land that was confiscated as a result of Decree No 3, and the organizations of small and medium-sized producers. In the second part, we shall describe the institutional progress of the development and agrarian reform systems in our country.

We shall describe the first agencies that were formed immediately after the victory, the changes that followed and the present structure, based on the latest modifications made during the final weeks of 1980.

In the first place, it must be said that the agrarian reform and agricultural-livestock development being implemented in Nicaragua since the victory has two fundamental conditions:

What Happened During the Somoza Regime

First, the demands of the popular sectors nurtured by the principles of the Sandinist popular revolution, and second, the historical conditions of the Nicaraguan

agricultural-livestock sector itself. Hence, we shall explain the type of agricultural and livestock development during the Somoza regime, so as to be able to discuss more clearly the significance of the breakoff from that model resulting from the revolutionary action of the popular sectors and the FSLN [Sandinist National Liberation Front]. We shall begin by explaining the operation of the agricultural and livestock sector with the Somoza model, the laws which supported it, and the logic which nurtured this operation. As point one, we must stress the importance of an agroexporting economy producing goods for the world market based on the production of cotton, coffee, sugarcane and meat, primarily. Secondly, this agroexporting development came into existence with the dynamics of an external technological and financial impetus, which was to produce dependence during the very development of this economy under the Somoza regime. Third, we must cite a type of interconnection within this Nicaraguan farming economy; and fourth, a proletarization of Nicaraguan labor, because the agroexporting capital never had sufficient capacity to absorb that labor permanently, all year long, which caused a yearly cycle of seasonality in certain areas of the permanent income of this working mass. Fifth, together with this seasonal proletarization, and with this agroexporting pole of development, we shall discover in the farming economy backward types of production, wherein there persisted relations marked by tenant farms, ranch partnerships and farm squatters, a type of refuge sought by the working class after it had been expelled from the agroexporting production in locations where a preponderance of commercial and profiteering capital was responsible in large measure for the appropriation of the income of the working classes in the rural areas. This type of production supplements what we find in the agroexporting economy and in the farming economy: namely, it caused each year an exploitation of the working class, even forcing the family to break up, because the women and children also had to be present in the work centers in order to be able to obtain a subsistence income. With this constant mobilization to which the farming economy was subjected, the access to subsistence for these laboring and farming workers became increasingly jeopardized. The real wage even dropped during the final decades of the Somoza regime. This contradiction, which caused conflicts and heavy politicomilitary repression, starting with a legal system that restricted and impeded the workers' organization and continued to keep the farming sectors at bay when they were occupying land, and when they were economically challenging the regime that was exploiting them to a certain extent; in other words, the politicomilitary repression, the legal system and the national guard were responsible for maintaining these positions which are obviously impossible to maintain in the manner in which they were maintained until the overthrow of the Somoza military dictatorship.

The Break in the Model

To summarize this point about the features that the agricultural-livestock sector assumed during the Somoza regime, it was necessary to check that interconnection of the farming economy and the modern economy with which the Somoza regime produced foreign exchange on the one hand, and food on the other. It was also necessary to check the degree of exploitation to which this sector of workers and farmers was subjected, an exploitation which often precluded the possibility of subsistence for the popular sectors, keeping them in unbearable poverty; and third, it was necessary to check that politicomilitary repression, a political element that operated as an economic factor for keeping this system running. We shall now

proceed to explain the significance of the Sandinist revolution as a break in this model of an agroexporting and farming economy, stressing the elements that were completely destroyed by the Sandinist revolution and detecting the elements that still exist within that economic structure, influencing, of course, the measures that the revolution adopted to make significant changes in this structure of exploitation and domination, as well as the problems involving limitations and contradictions that still exist in the agricultural-livestock sector, which are still the object of conscious action by the FSLN and the organized sectors themselves. First of all, we must dwell a little on the concepts of agricultural-livestock development and agrarian reform. When it is considered a political element which, backed by power, takes over the land to distribute it among the farmers and thus benefit the rural sectors, while also striking at the most parasitical sectors of an economy, namely the landholding sectors, this classic concept with which it has operated in Latin America is not the concept that would explain the agricultural-livestock transformation of the Sandinist revolution in Nicaragua, for the following reason: Since the Nicaraguan economy, during the Somoza era, had attained a rate of growth in production, thanks to both the exploitation of the workers and a rather high degree of mechanization and technification as well, since this economy had attained a high degree of land concentration, that is, in the presence of rather modern capitalist production units, and since the workers had attained development which, although seasonal, was intensely proletarian, and intensely wage-earning in agriculture, in the agricultural-livestock sector, it would not be logical from an historical standpoint or from an economic standpoint to grab that land concentrated by capitalism, accumulated and regulated by modern capitalism; to grab that land and distribute it among the farmers. That would have meant a dismembering of modern production units; it would have meant making the rural workers peasants; in other words, it would have meant retrogression in the conditions achieved by the former economy.

What Type of Reform

So the agrarian reform would not have those defects that we consider to be involved in taking land from the landholders and giving it to the farmers. It would not be of the kind whereby the popular sectors have access to wealth, that would not be the kind used by the Sandinist Front to change the structure of domination and exploitation; it would, rather, be another kind. The following explains agricultural and livestock development combined with agrarian reform: We are faced with two poles of economy in the agricultural-livestock sector, a modern agroexporting pole, and a farm economy with backward types of production. Apart from the manner in which the surplus products of this modern economy are generated, the production for exporting to secure foreign exchange in this country, the production to employ the popular sectors and to redistribute the income of these popular sectors will continue to be to some extent part of the function of this agroexporting economy; and the logic of the revolution in this regard will be on the side of expanding and developing this economy, increasing production, raising productivity, and streamlining and continuing to modernize this economy.

So we shall have two combined tasks: one, for agricultural-livestock development the goal of which will be an increase in production and productivity, and the modernization and streamlining of this economy; and, on the other hand, an agrarian reform that we shall explain later, whereby the rural popular sectors, the farming sectors, will be afforded access to wealth. The first act of reform and developmer that

took place in Nicaragua was the Sandinist insurrection itself which, scrapping the military dictatorship and the repressive military apparatus, would enable the farming and laboring sectors of workers to begin a conscious mobilization on behalf of their interests; and hence it would no longer produce disadvantageous conditions among those popular sectors, but rather an advantageous situation, not only because there is no repressive politicomilitary apparatus to impede organization, but also because the political opportunities will be afforded to undertake dynamics for the organization of the working class that will put it in a position, not just to haggle over income, but almost to impose its terms. In other words, the victorious insurrection and the defeat of the politicomilitary apparatus would represent a dismembering of the previous model, during the insurrection, in other words, during June and July, when the time that the planting of cotton, particularly in the western zone, could be started had elapsed.

The First Days

At a time when a few cities or departments were liberated, preceding national liberation, the internal concern, the economic concern of this insurrectional war that had a schedule to begin but the time of its conclusion was not known, the main concern was the production of food for the sectors participating in this insurrectional war, backed, to be sure, by the inertia of a farmer who knows what to produce and when to produce. This caused a development in the production of basic grains, which took place with collective types of production, types that were then known as Sandinist agricultural cooperatives and production collectives, depending on the different departments in which those types of production developed.

During the insurrection and after the insurrection, during the first days, the Somoza estates and the Somoza companies in the rural areas were the object of plundering, labor indiscipline and social indiscipline in all respects; and it was necessary to guarantee the integrity of the business firms, regardless of whether they were private, and of anti-Somozan private sectors, regardless of whether they were Somozan business firms. From an economic standpoint, there was a concern about maintaining the integrity of these production units, preventing the division of land into plots, and preventing the dismembering of these units which was occurring as a result of the occupation of portions of land, and also as a result of that plundering, which involved dismembering the main fixtures, tractors or any other type of fixed capital that existed in those firms. Since there were not sufficient controls at the time, the new order did not have the capacity to supply capital, to pay labor or to administer production. A means was sought that would facilitate the production of foodstuffs. It was the collective organization of the workers for employment and for the production of these firms. In other words, with these collective methods a regulated employment was guaranteed, an employment on behalf of the revolution's line at that time when the life of the Somoza regime was not yet over. There was a guarantee for a type of collective production that maintained the integrity of the business firms and facilitated a production controlled by the FSLN itself.

The De Facto Confiscation

Simultaneously, as the insurrection kept winning, there developed what was to be known as state production units, the UPE, when life became normal, with different conditions. In this way, there began one of the chief measures in the agricultural-

livestock sector adopted by the Sandinist revolution, namely, the confiscation of all the assets of the Somoza regime. I repeat, this confiscation of the assets of the Somoza regime was a demand by the popular sectors, it was a principle of the FSLN liberation program, it was part of the government program; however, it was the popular sectors themselves, the masses themselves, armed and in a state of insurrection, that began this action of de facto confiscation of the leading Somozan business firms. The confiscation of the assets of the Somoza regime (as may be observed) was of a preeminently political nature. It did not begin with a class motivation, or an economic motivation, although it did have that result; because, to confiscate what would be 20 percent of the material production in .e state meant confiscating a part from the property-owning sectors of Nicaragua. It meant seizing from those ruling sectors a large amount of their wealth, and therefore weakening the proletarian class as a whole. However, the decision was a political decision. They did not confiscate the large business firms, but rather the Somozan business firms. This confiscation meant 20 percent of the material production in the hands of the revolution: coffee, cotton, sugarcane and rice plantations, cattle ranches, companies processing these products, such as the cotton gins, the coffee processors and the sugar mills. And with this confiscation, with this political action of the revolution, with this measure, there was formed what was to be the seed of the new economy of Nicaragua, the area owned by the people, the APP; and it would have an agroindustrial manifestation and an agricultural-livestock manifestation.

The Nationalization of the Banks

Another measure of the revolution in the agricultural-livestock sector, and we are discussing agrarian reform, true, with the exception that I mentioned to you at the outset, was to be the nationalization of commerce and banking. This in itself may not give the image of agrarian reform, but it would allow this country's income to be nationalized in order to meet demands and necessities of the popular sectors in the rural areas. It would allow the APP, despite its 20 percent, that limited percentage of control of material production, to be the guide for this country's economic policy, which it would achieve through control of the state; and it would facilitate the priority backing of those 2,000-odd business firms confiscated from the Somoza regime. The confiscation of these Somozan business firms, the motivation of which was not of a class or an economic nature, but the results of which were, not so much because of the decisions of the revolution, but rather the conditions under which these firms were operating, and proof of this is that 95 percent of the estates confiscated from the Somoza regime were estates of over 500 manzanas; in other words, the expropriation, even with that political nature that it had, was an expropriation of the landholding and captialist sectors of this country, namely, the Somozan landholders and capitalists, and it was to strike a heavy blow at those large rural property-owning sectors.

The Agrarian Reform Per Se

Insofar as the farming sector was concerned, the agrarian reform would mean the following: in the first place, an increase in credit to the farming sectors. We must recall that, in Nicaragua, both the same landholders and the large landholders operated in this country with capital that came to them from the state, with equipment supplied by the state, and therefore with great dependence on the state. During the Somoza regime, the state was a very significant apparatus in agricultural and lives ock development, an economic apparatus for making this economy operate;

not only with repression, but with financial backing to the agricultural-livestock sector as a whole, of course giving the greatest backing from the agroexporting economy to the big establishments. And now the state will give equal backing to the farming sectors. The increase in credit to the farming sectors will be the first measure to benefit the Nicaraguan farmers, especially the poor farmer, that farmer who sometimes has land and sometimes does not, that farmer who, in the past, was in the hands of dealers and profiteers, because the state did not give him the credit that he needed; that farmer who was in the hands of the middlemen, buying and selling the products of the rural and urban areas. The effect will be as follows: During the Somoza regime, 10,000 farmers were equipped, and during the Sandinist revolution 70,000 farmers, nearly 80 percent of Nicaragua's farm produce will be equipped. That will have many effects not desired by the revolution, but in this regard we would do well to consider only the political desire of this revolution to be a revolution for the popular sectors.

Another measure that will benefit the farmer will be the policy on marketing prices and supplies that was established in Nicaragua last year. The National Staple Foods Enterprise [ENABAS] has been established, the purpose of which is to support this farm production and curb the exploitation by commercial and profiteering capital within the farm economy itself. In other words, with the banks and part of commerce nationalized, the state will be able to put up opposition to that structure of exploitation which still persists in the rural areas, and will oppose it increasingly in favor of the poor farmers.

The Cooperative Movement

Another effect of the Sandinist revolution in the agricultural-livestock sector, as part of the restructuring of the model of domination and exploitation, will be the dynamics and cooperative movement that have been taking place in the rural areas from the time of the insurrection until the present. Over 2,000 cooperatives for both production and services will be formed, which will produce and combine scattered farming sectors, therefore attaining the political strengthening of this class. They will allow for the development of the productive forces in the rural areas, because the site of production will no longer be a wretched, isolated plot of land, but rather larger plots of land depending on the group of cooperators.

The production cooperatives will represent modern types of production in the rural areas for the first time in Nicaragua. In the farm economy, we shall witness types of production wherein the responsibility, management and control are in the hands of the farmers themselves; wherein the main incentive for production will be responsibility and the social ownership of this resource which, I repeat, has two forms: a. one in which the work, land and capital are socialized, and of which about 600 such cooperatives are being formed in the Nicaraguan rural areas, and b. the rest of the service cooperatives, that is, those with farmers who join together not to combine the work and land, but to share mutually the credit and certain services, such as the use of factors of production, pesticides, fertilizer, insecticides and even tractors. Another measure will be the creation of an institutional apparatus, a state apparatus, known as PROCAMPO, to take charge of the technical assistance for these producers. In other words, the concern will be the delivery of credit and land in a cooperative and not an individual manner; and to provide facilities for supplies and marketing and, finally, technical and backup facilities for this farm production itself.

The Farmers' Organization

The last phenomenon to prove to us that we are in the presence of a real transformation in the agricultural-livestock sector will be the organization of the farmers, beginning with the type of production represented by the cooperatives, and ending with the organization based on the Agricultural Workers Association [ATC]. In the APP, the state enterprises and the people-owned enterprises thousands of unions will be formed; production committees will be formed; assemblies to reactivate workers will be held; and participation in control and management, which is one of the principles of the Sandinist revolution, will start to be a reality in these APP enterprises. In the farming sector, ATC will make use of the cooperative and collective organization that occurs with the revolutionary measure to organize the small and medium-sized producers, to enhance their consciousness of being producers and revolutionaries, to enhance their consciousness that, as a class, together with the working class, they both constitute the social base of this revolution. And this will facilitate both the economic and political mobilization of these farming sectors. There was also a decision and a practice on the part of the revolution, during the entire year of 1980, to facilitate the participation of the organized sectors in the rural areas, both farmers and workers, their participation in the political and economic decisionmaking agencies, ranging from the national commission on small production to the Council of State. In other words, for the first time, the organized popular classes will have access, not only to the facility that I mentioned before, but also to the state agencies, to exercise political power in this country, and hence to participate in the revolution's political and economic decisions. This situation affords us an economy the fundamental components of which will be, first, the people-owned area; second, the private sector, the small and medium-sized farm producers responsible for most of this country's food production; and third, the patriotic capitalist private sector, responsible, together with the APP, for the major agroexporting production. It will, therefore, be a mixed economy, in which the revolution's decision will lead this economy toward social forms of production that will increasingly benefit the farmers and workers, for whom the revolution is just beginning, with access to wealth, land, credit, technical assistance and state services. Yet it is not the access which these popular sectors (that are the bases of this revolution) need from a human standpoint, especially with the economic limitations inherited from the Somoza regime, and particularly the social distinctions, and the social inequality inherited from the structure of the Somoza regime.

The Problems

This has been the picture, these are the achievements, this is the progress of the Sandinist revolution in the rural areas; this is the significance of the nature of the agricultural-livestock transformation. However, we must cite the problems, the limitations and the contradictions that these onslaughts and this eruption of the masses have caused in the revolution and the economy as a whole. In the first place, there has been a decline in production and productivity among certain agricultural and livestock sectors, and a relaxation of the working class; because the compulsive mechanisms with which the economic and political economy used to operate are disappearing abruptly and radically, and this will enable the working class to start exercising a certain amount of power, on behalf of its interests. And we sometimes wonder how the Somoza economy and the agricultural-livestock economy attained growth in production and productivity at rates among the highest in all of Latin America; how the intensity of work was maintained in those business firms, how the intensity

of work was maintained with the wages that they paid. We know that women and children were present in the work centers; in other words, the wages of the workers, the wage of the head of the family was not enough for subsistence of the family, and therefore the women and children themselves had to work in order to provide that subsistence. We were aware of the pressure from the National Guard, which prevented any challenge to this method of domination and exploitation. But those work regulations which were in effect during the Somoza regime have been dismantled since the victory; they will operate no longer on behalf of the unforgettable profits, but rather on behalf of the working class, and they will cause this breakdown which is to a large extent the reason for the drop in production and productivity.

The Problems With the Private Sector

Problems will arise with regard to the private sector; there will be significant demonstrations for boycotting production, with a loss of investment in the business firms, the large business firms in the agricultural-livestock sector; which will cause in the revolution the same uncertainty that private enterprise claims. As for production, it will happen, paradoxically, that there will be a shortage of labor, a result of that access for the working class to the wealth in this country. And it must be recalled that, for these sectors, the only incentive, the only spur present in these work areas, is that of obtaining subsistence; because there is nothing pleasant about the conditions under which they are working, even today, in the cotton fields. There are wretched conditions for production, and they will not change from one year to the next. However, under the former regime there was the whip, that compulsive mechanism, there was insecurity, and there was repression which, in the last analysis, kept at bay those sectors of workers and farmers, so that the work discipline brought the results that it brought under the previous regime.

Commerce

In the area of commerce, supply and prices, the main problem will be the contradiction that exists between the private middlemen, especially the large and medium-sized ones, and the popular storage and marketing apparatuses which the revolution has at its disposal to oppose these middlemen. These middlemen will cause a hoarding of goods, and hence a relative shortage of goods. That hoarding, that shortage of goods will change the prices in a manner unfavorable to the popular sectors; it will impede the effort for marketing, and will cause problems in the supply for the cities and towns, and even the supply for the rural areas, which will also be used and capitalized on politically by the opposition that exists in Nicaragua against the revolution's line in the agricultural-livestock sector. What disturbs the opposition in Nicaragua is not so much the results accrued thus far, but that, because this revolution favors the popular sectors, it is giving those sectors increasing access to the wealth of this country, and reducing the privileges and the great class inequalities, the great social inequalities with which they operated with the guarantee of the Somoza regime for domination and exploitation. So this is the picture that we would like to give you of the transformation of the agricultural and livestock sector since 19 July 1979.

The Institutional Apparatus

Let us move on to the second explanation, with emphasis on a brief history of the institutional progress of the agricultural-livestock and agrarian reform apparatus since the victory of the revolution. However, we would like to review some of the factors that have already been cited, indicating how, after the victory of the revolution, there was a major production sector, called the area owned by the people, which is, and originated with 2,000 units that were confiscated on the basis of Decree No 3. These 2,000 units represent about a million hectares, and the bulk of these production units have been interconnected within productive apparatuses called the people's agricultural-livestock enterprises, or people's enterprises. All of them have different productive structures: some were production units with a high degree of technology; others were very backward production units; some tended toward specialization, and others had a rather diversified structure. On the basis of those production units, about 60 enterprises were established. Those enterprises were named people's agricultural-livestock enterprises, with one enterprise consisting of a group of production units which are close from a geographical standpoint.

In the department of Leon there is the largest cotton enterprise in the country, namely, SAIMSA. As a cotton enterprise, it succeeded in planting about 7,000 manzanas in the Granada and Masaya areas. Despite the large size and the difficulty that this represented from an administrative standpoint, we must say that there has been considerable success this year in cotton production in the area owned by the people.

The APP Enterprises

In Chinandega there is a similar enterprise, with the smallest area, about 7,500 manzanas. In all, 23,000 manzanas have been planted in the area owned by the people this year, and it is evident that the gains have been sizable. However, in Chinandega, now that the crop is being cut and established, there will be average yields of 45 quintales per manzana, actually the best cotton plantations in the country.

Those located in the cotton area owned by the people in Leon will also obtain good yields, of about 40 quintales per manzana; and we think that, owing to the complex nature of this crop and the large size of the enterprise, to obtain this yield in the first year of experience is a major accomplishment. Two other enterprises have also appeared in Leon: a livestock enterprise that has about 24,000 head of cattle, which is scattered widely throughout all the territory of Leon; and the other engaged in different farming activities, with sorghum, garden produce and a rather diversified group of farming activities. These three enterprises control about 125,000 manzanas, and they are large-sized and rather specialized enterprises. In the case of other departments, such as the department of Matagalpa, for example, there are also approximately six areas owned by the people. As is typical in the north, these enterprises have a productive structure which combines coffee and livestock raising; and there is also an enterprise there specializing in processing wh'ch consists of a group of about five or six dry processors, and currently comprises part of the area owned by the people. In addition, there is the sector of small and medium-sized producers which is being organized in the form of a coopera'ive. As has already been explained, there are two types of organization for cooperatives: the production cooperatives and the credit and

service cooperatives. The government's policy promotes and fosters cooperative organization through favorable or differentiated interest rates that benefit the small producers who organize into cooperatives. Nevertheless, credit is also maintained, or granted to the small producers who prefer to continue producing individually.

65,000 Cooperative Members

However, the cooperative movement progressed enormously last year, incorporating about 65,000 producers, which represents a large percentage of the country's small producers. Nevertheless, this is also a cooperative movement that has had vast quantitative development, and considerable effort must still be made to consolidate it. And then there would be the other sector that we might term the one of large producers, which carries important weight in certain categories of agricultural and livestock activity. Our agrarian reform has not distributed land individually, nor put a uniform ceiling on land ownership, nor organized a single type of production. We might say that the specific features of our agrarian reform are also based upon the individual characteristics of our country, and even the different types of production that are promoted in the various sections of the country are associated with the degree of development that agriculture had reached in the different parts of our country, a country with very unequal development wherein there were very advanced poles of agricultural-livestock development with a high degree of technology, wherein there were large-scale production units with a high degree of technology, and wherein there were very backward areas in which small producers were located, with many problems involving infrastructure, problems involving communications routes, etc. Thus, in the same way, there are different methods for organizing the production system, fostered by our agrarian reform, and in keeping with the individual features of each region. As for the institutional apparatus, we shall embark on that topic, and attempt to discuss it briefly, so as to have time available to respond to your concerns.

The Legacy of the Somoza Regime

Subsequently, we would like to describe what we inherited at the time of the victory of the revolution, with respect to the institutional apparatus that the Somoza regime had in agriculture. As you know, there was a Ministry of Agriculture, which had essentially two apparatuses: 1. an apparatus for regulation and control, which exercised control over animal health and plant health, border control, etc.; and 2. a relatively recent apparatus, the INTA (Nicaraguan Institute of Agricultural and Livestock Technology), which had a network of research centers, and also a network known as technological publicity centers. Those were small centers which, in the view of the Somoza regime, would convey new cultivation methods, primarily to the small producers in the areas where t' : centers were located. There were 35 technological publicity centers throughout the country. Later, there were two apparatuses which promoted the Somoza regime's "agrarian reform." Created first was the Nicaraguan Agrarian Institute (IAN), which had organized several agricultural colonies on the Pacific. It was created basically to reduce the contradictions caused by the development of cotton growing in the West, especially the expansion of cotton growing at the cost of farm production. In the form of the tenant farming that existed in the West, it caused enormous contradictions; and thus, the Nicaraguan Agrarian Institute was created, for the purpose of reducing a contradiction and

facilitating the expansion of the model of accumulation that the Somoza regime was promoting as a feature of the Somozan institutional apparatus. It was the creation of specialized agencies to control and regulate the activity in the most dynamic categories of agricultural-livestock production. This was how CONAL [National Cotton Commission] came into existence, with the tools for regulation, as a tool for dynamizing the cotton industry in this country. And INCAFE [National Coffee Institute] also appeared, as a regulating and promotional agency coordinating the development of the coffee industry. Finally, another major apparatus was INCEI [National Institute of Foreign and Domestic Trade], an agency which operated basically as a regulator of the prices of basic grains.

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EDITORIAL BLASTS CUBA-GUYANA JOINT DECLARATION

Caracas EL DIARIO DE CARACAS in Spanish 18 Jan 81 p 6

[Editorial: "Venezuela, Cuba and Guyana"]

In Georgetown, Cuba and Guyana have signed a joint declaration which has aroused deep irritation in Venezuela.

The extensive document signed between both countries includes--as usual--the customary rhetoric regarding respect for the principle of nonintervention, self-determination of the people, the peaceful solution of international conflicts, and their opposition to imperialism, colonialism and neocolonialism, etc. Immediately afterwards, it supports the struggle of the Salvadoran guerrillas, it supports the Junta in Nicaragua, and it reiterates its backing of all people "in the Caribbean area" who want to free themselves from colonialism, with particular reference to Puerto Rico.

Later, of course, comes the paragraph in which Cuba /totally/ [in boldface] supports the Cooperative Republic of Guyana's "right to have its territorial integrity respected..."

This last paragraph can only be interpreted in one sense: Guyana and Cuba now share the position that the Venezuelan territorial claim in the region of the Essequibo River should not prosper. When there is barely a year to go before Venezuela reopens the negotiations, this joint declaration has all the ingredients to qualify it as a gesture of provocation, not only by Guyana, but also by Cuba, its ally. The Foreign Ministry skillfully emphasized that the Guyana-Cuba declaration "does not affect the rights of Venezuela." However, it does signal turbulent times in trilateral relations among Caracas-Havana-Georgetown. The storm approaches at a time when Cuba and Guyana are facing internal problems of a political and social nature. Gerogetown is burdened with the dubious reputation of being one of the most radical exponents in Latin America of some of the disgraces of underdevelopment, such as rampant corruption, galloping unemployment, institutionalized underemployment. progressive decapitalization of industry nationalized into cooperatives, and vigorous racism, whose contemptible signs are extraordinary on the continent. These are Venezuela's opponents in the Caribbean area. They invoke the highest moral principles of international coexistence while ignoring the most basic rights within their own boundaries, and they question just border claims expressed in a serious and responsible fashion.

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